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18 August 1981

KOREAN AFFAIRS REPORT

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INTER-KOREAN AFFAIRS

BRIEFS

'CHON CLIQUE' INSPECTS PUBLIC SERVANTS--Pyongyang, 30 Jul (KCNA)--The Chon Tu-hwan military fascist clique announced that a "special inspection" of "public servants" would start in provinces and cities from 1 August, according to a report. It advertized that "incognito inspection teams" have been formed to "prosecute corrupt public servants" through the "inspection." The military hooligans try to put the label of "corruption" to a few "public servants" and shift responsibility for social corruption onto them in an attempt to lull the resentment of the people and expel "public servants" who fall out of their favor and thus lay a foundation for their long-term office. [Text] [SK301531 Pyongyang KCNA in English 1521 GMT 30 Jul 81]

SENTENCING OF S. KOREAN STUDENTS--Pyongyang, 27 Jul (KCNA)--The Chon Tu-hwan military fascist clique on 24 July staged a trial at the puppet Seoul District Criminal Court and imposed prison terms upon three students including No Se-kuk of the Tongguk University in Seoul under the fascist "Law on Assembly and Demonstration," according to a foreign press report from Seoul. This outrage was committed against them for the reason that they had scattered handbills denouncing the crimes of traitor Chon Tu-hwan when they participated in an anti-"government" demonstration on the campus some time ago. Recently alone the fascist clique arrested 53 students on charges of involvement in anti-"government" demonstrations. [Text] [SK270821 Pyongyang KCNA in English 0803 GMT 27 Jul 81]

CSO: 4120/294

S. KOREA/POLITICS AND GOVERNMENT

PARTY LEADER'S REMARKS ON FUND RAISING

SK310528 Seoul SINMUN in Korean 31 Jul 81 p 3

[Article by reporter Kim Ho-chun]

[Text] Kwangju--Commenting on the soon-to-be-formed financial support group, Kwon Chong-tal, secretary general of the Democratic Justice Party [DJP], on 30 July said: "We will try to ask the majority for a small amount of financial support, and will totally exclude from the group those individuals or businessmen who cast a burden upon us with their contributions, or those who allude to counter-compensation," thus pledging to reject any type of the rumored collusion between the political and economic circles.

While inspecting the office of the party's South Cholla provincial chapter in Kwangju, Secretary General Kwon further said: "The financial support group will be managed independently from the party; the presidium of this group will be carefully selected from those who are renowned for their virtue and will not exceed the target in collecting the fund."

About the plan to set up the financial support group, Kwon said: "We will finish getting subscriptions by 15 August, set it up between 15 and 20 August and finish registration and all the necessary procedures for fund-raising by the end of August."

To this end, he said, the party will assign 30 subscriptions to each of the party's five major post holders, 20 each to the deputy secretary general and chairman of the party's financial committee and 10 each to the financial committee members and chairmen of the party's provincial chapters.

CSO: 4108/141

S. KOREA/POLITICS AND GOVERNMENT

MEASURES TAKEN TO ACHIEVE ADMINISTRATIVE REFORM

Administration of Laws to Improve

SK250444 Seoul THE KOREA HERALD in English 25 Jul 81 p 1

[Text] The government has decided to reduce the discretionary power of public servants to ensure greater fairness in administration, revise the civil law and commercial law and give an overall review on the census registration and license administration.

These are a part of 46 projects which the government decided to improve under its plan to eliminate elements hampering the national growth.

The 46 projects were selected yesterday by a government committee assigned to root out factors standing in the way of a smooth national development. The committee is chaired by Prime Minister Nam Tok-u.

Also included among the 46 are establishing a system to institutionally eliminate influence-peddling and favor seeking, elevating the administrative efficiency of tax and financial business, streamlining the government structure and improving the quality check system.

If necessary, the government plans to abolish obsolete laws or regulations and legislate a quality guarantee code.

The government also has decided to:

--disband or merge committees both in Seoul and provincial areas which exist "in name only" or the jobs of which are similar,

--revise the office regulations of the Ministry of Foreign Affairs,

--diversify the status of Korean diplomatic missions abroad based on their mission and size,

--expand the system in which those who commit minor offences are subjected only to fine.

License-related business will be turned over to provincial governments as much as possible in order to reduce red tape and increase administrative efficiency.

An open-door policy will be implemented at specific administrative areas, including issuance of various licenses, in which favor-seeking or influence-peddling are likely to occur.

It was learned that the 46 projects were discussed at a cabinet meeting held at Chongwadae last Tuesday. Also, the 46 are part of some 900 cases which government ministries and their affiliate organizations picked as potential obstacles to growth. The remaining cases will be handled by the ministries concerned.

Kim Yong-ok, chairman of the Administrative Reform Council, said that emphasis on the revision has been placed on "reflecting President Chon Tu-hwan's policy ideology, preparing for an open society expected in the future, guaranteeing individual rights and benefits and ensuring stability in administration."

He added that necessary measures for the 46 projects will be completed within this year for implementation next year.

Daily Hails Administrative Reform

SK270104 Seoul THE KOREA HERALD in English 26 Jul 81 p 4

[Editorial: "Major Administrative Reform"]

[Text] The government is vigorously pushing ahead with a wide-ranging program to reform administrative and legal systems so as to eliminate factors considered hindering national growth and giving rise to corruption in officialdom. This was made public Friday when a cabinet-level ad hoc committee headed by Prime Minister Nam Tok-u met to decide on 46 improvement projects to be worked out within this year for implementation beginning in 1982.

The decision is the first concrete result of President Chon Tu-hwan's instruction last April for the establishment of "an efficient system of administering state affairs to befit the new era." The special committee, set up in response to the presidential directive, had studied for 3 months some 900 problems submitted by various government agencies before selecting the 46 projects. The rest of the problems are to be examined further by individual ministries concerned for improvements.

Designed to remedy inveterate ailments of administration which have grown over the past three decades since the founding of this republic and rectify those administrative systems and laws that cause inconveniences to the people, the program should be hailed as the second major reform to be undertaken by President Chon's government. The first was the intensive anticorruption campaign last year which saw the forfeiture of vast fortunes illegally amassed by some high-ranking politicians and government officials and the ouster of a large number of corrupt public servants.

It is the embodiment of the government's positive forward-looking posture toward open public administration free of corruption in materializing an open society in this nation. It also reflects a firm will of the government to realize a second economic takeoff during the next five-year development plan (1982-86).

The reform projects can be classified into three main types. The first type is to streamline and reorganize, wherever necessary, administrative structures so as to minimize bureaucratic red tape. The second is to get rid of any legal and administrative impediments to the effective running of economy. The third is to improve the system of dealing with civic petitions for various licenses and permits so as to eliminate room for bribery.

Some of the specific actions recommended by the committee include revisions of the civic law and commercial code, which are largely patterned after Japanese statutes of the pre-World War II era, ameriolation of the complicated traditional family registry system, minimization of official licenses and permits, devolution of licensing authority to local governments or private associations, reduction of discretionary power of public servants, and reformation of taxation and banking practices.

To be sure, those reform measures are long overdue. Previous governments too attempted some corrective steps, but they were invariably limited in scope. The current program raises our expectations very high because it is the first comprehensive administrative reform of such a wide-ranging scope that is ever to be carried out in this country. Accordingly, we feel it necessary to urge all pertinent officials in different government agencies to do away with the past tendency of incoordination between ministries and discard selfish interests so that a successful reform program can be worked out for the broader interests of the nation.

CSO: 4120/293

S. KOREA/POLITICS AND GOVERNMENT

DKP ADOPTS 'NATIONAL HARMONY' AS MAJOR AIM

SK210718 Seoul THE KOREA HERALD in English 21 Jul 81 p 1

[Text] Rep Sin Sang-u, secretary-general of the Democratic Korea Party (DKP), said yesterday the achievement of national harmony is an urgent task for the Fifth Republic, and his party adopts great national harmony as one of the important goals to pursue.

Speaking at the Seoul Foreign Correspondents' Club, the secretary-general revealed guidelines that "will become a partner for those who resolutely pursue democratization."

Rep Sin said, however, democratization itself will be the "ultimate target" of his party in case it finds discrepancies between the uttered goals and practices in the new age.

He also said the DKP would exert all efforts to take power through democratic competitions.

Saying that the arguments about political systems in extreme confrontation should not happen again, Rep Sin declared the best way to solve the problem is to find the cause of the argument and to remove it in a democratic way.

"Through dialogue among political parties and by strengthening parliamentary functions, the arguments over the political system can be contracted into our institutions," he said.

Saying that the constitution of the Fifth Republic is more democratic than the Yusin constitution he insisted that the present constitution cannot be called complete.

Sin said the peaceful transfer of power should be realized by a mature political force and suggested that his party would be interested in doing the job (7 years from now), saying that the DKP hopes to grow as a "center of free and democratic force."

CSO: 4120/293

S. KOREA/POLITICS AND GOVERNMENT

DJP PLANS TO SET UP FINANCIAL SUPPORT GROUP

SK280155 Seoul YONHAP in English 0136 GMT 28 Jul 81

[Text] Seoul, 28 Jul (YONHAP)--Korea's ruling Democratic Justice Party [DJP] plans to set up its supporters' group in August to obtain financial help from it.

Rep Yun Sok-sun, assistant secretary-general of the party, said Monday that his party would embark on the formation of the group beginning early next month and register it with the Central Election Management Committee, a constitutional organ, by the end of August.

He said that his party had waited for minority parties to form their own supporters' groups with a view to managing political funds jointly, but it could not delay the formation any longer because its financial difficulties were serious.

The group will initially consist of some 1,000 members including businessmen and will raise some two billion won (2.93 million U.S. dollars) in political funds this year, Yun said.

The ruling party has already listed some 2,000 businessmen who it thinks can support the party financially and its financial committee members will begin asking them to become the group's members early next month.

Yun emphasized, however, that large enterprises would not be solicited strongly in order to get rid of the impression of collaboration between politics and business.

By law, each political party can form a supporters' group. The political fund to be raised by a supporters' group should not exceed two billion won a year. Those who donated political funds will get tax deductions.

In order to get out of a serious financial pinch, the ruling party collected some 700 million won (one U.S. dollar is worth about 685 won) from its lawmakers and used the money for the party's management funds in June and July, Yun disclosed.

CSO: 4120/293

S. KOREA/POLITICS AND GOVERNMENT

GOVERNMENT TO LEVY EDUCATION TAX 1982-86

SK280605 Seoul YONHAP in English 0340 GMT 28 Jul 81

[Text] Seoul, 28 Jul (YONHAP)--The Korean Government has decided to levy education tax from next year through 1986 as an extraordinary purpose tax.

Testifying before the National Assembly Finance Committee, Finance Minister Yi Sung-yun Tuesday said that the collection of education tax is necessary to improve the national education during the fifth five-year economic development plan which starts next year.

According to Yi, educational renovation during the five-year period requires 4.6 trillion won (some 6.72 billion U.S. dollars) at the 1981 constant price. Under the current budgetary system, however, the government can allocate only three trillion won (one U.S. dollar is worth about 685 won).

The government will levy annually an average of 300 billion won in education tax in the form of additional taxes on national and provincial taxes beginning next year in order to insure the new financial source of some 1.5 trillion won, Yi said.

To that end, the current interests on deposits and dividends and income taxes will be raised by five percentage points to 15 percent, taxes on beer, whisky and other quality liquors will be increased by 10 percent and the prices of cigarettes of more than 300 won for each pack will be raised by 10 percent.

In the case of provincial taxes, property taxes will be raised by 50 percent to help insure the new financial source for educational renovation, Yi added.

CSO: 4120/293

S. KOREA/POLITICS AND GOVERNMENT

PROSECUTORS PETITION FOR EXTRADITION TREATIES

SK270832 Seoul YONHAP in English 0827 GMT 27 Jul 81

[Text] Seoul, 27 Jul (YONHAP)--Korean prosecutors Monday called upon the government to conclude extradition treaties with Japan, the United States and other countries to which Koreans have easy and frequent access.

In an attempt to prevent the overseas flight of criminal suspects and foreign exchange and to check the inflow of organized international criminals into the country, they also proposed strengthening cooperation with foreign investigation authorities and domestic investigation networks.

"Such problems are expected to increase in the days to come, following government measures to liberalize overseas travel by Korean citizens," one official said.

They said that they had already decided to set up ad hoc teams in prosecutors' offices across the country to specialize in investigating such crimes and in thoroughly checking the moves of possible criminals, and to step up cooperation with U.S. Army investigators in Korea and foreign investigation authorities such as Interpol.

Persons facing trial or being investigated and those who have reportedly issued large number of bad checks will be prevented from traveling overseas, they said.

The officials will also make a list of Koreans residing overseas who are believed to have violated the Dishonored Check Control Law and the Foreign Exchange Management Law. The list will be sent through the Foreign Ministry to the governments of the foreign countries where the persons reside to limit the persons' rights to be protected as Korean residents, the prosecutors said.

CSO: 4120/293

S. KOREA/POLITICS AND GOVERNMENT

PARTIES' ATTITUDE ON ASSEMBLY SESSION CRITICIZED

SK260113 Seoul THE KOREA TIMES in English 26 Jul 81 p 2

[Article by Cho Pyong-il]

[Text] Rival political parties are passing the buck to each other for what they claim is rigidity or uncompromising manner in dealing with the business of convoking the 108th special house sitting.

As a result of this stubbornness, moves for the opening of an extraordinary National Assembly session this month have flopped. Political parties are not willing, even by a fraction of an inch, to work out mutually acceptable compromise terms, raising even a suspicion as to whether they really wanted to hold the session.

It appears that instead of adopting a give-and-take approach--a common principle in any kind of negotiations--the floor leaders of the Democratic Justice Party [DJP], the Democratic Korea Party [DKP], and the Korean National Citizens Party [KNCP] felt that backing down from their original stances would be equivalent to humiliation.

These attitudes are indisputably contrary to the prime goal of the 11th-term National Assembly to untie the knot of conflict, if any, through dialogue without falling into the rut of old political methods.

The three whips--Reps Yi Chong-chan of the DJP, Ko Chae-chung of the DKP, and Yi Tong-chin of the KNCP--locked horns over the operational method of standing committee meetings first or otherwise the plenary session, rather than over what to tackle and how.

Their talks, which were held five times, turned out to be across to their rivals. Especially, the breakdown of their 13 July agreement to hold the special house session on 20 July may have a traumatic effect on the future function of the whips in setting operational schedules and agendas.

A point in their dispute arose out of a perception gap between the reform-minded DJP, which called for committee meetings, followed by a plenary session, and the minority DKP (KNCP joined the DKP) sticking to what it called the practices of holding, above all things, plenary sittings.

The DJP originally planned to call foreign affairs and defense committee sessions to hear reports from the administration on the outcome of President Chon Tu-hwan's 15-day state visits to the five ASEAN member countries.

The DJP, obviously so as not to give the impression that it was steering clear of the house sitting, consented to the scheme of holding a plenary meeting to take President Chon's tour as a single agenda item.

However, it withdrew its consent when the DKP, aligned with the KNCP, attempted to get in the hair of the DJP, by demanding house deliberation of a host of agenda items. It contended that it had prepared about 90 different agenda items to be handled during the special house session.

The house seems to have suffered a setback as the rival camps failed to sell the other side on the need for the extraordinary session no matter what it might be, committee-level meetings or plenary sitting. Furthermore, the DKP came up with no concrete subject to convince the rival DJP.

The possibility of a confrontation that has been brought into being this time despite a strong call for a new political pattern in the new house is precisely what political observers fear in connection with the timetable for the forthcoming regular house sitting in September.

The observers, nevertheless, pinpoint the characteristics of the political "acrobatics" which can quickly make the once-frustrated ties between rival political parties as smooth as ever if they are determined to display problem-solving capacity through reconciliation or touch on the essence of issues rather than pitting themselves against each other over such an insignificant issue as the operational method.

Already, there are signs of a movement inside the DJP to resume dialogue with the DKP sooner or later after a cooling-off period, thereby seeking a way to soften the frozen climate.

As to the DJP's plan to persuade the DKP to concur [with] its unswerving stance to concentrate parliamentary activities on committee meetings, the minority party still terms it an abnormal method of running the house.

CSO: 4120/293

S. KOREA/POLITICS AND GOVERNMENT

BRIEFS

BUSINESSMEN TO JOIN POLITICS--Rep Yi Chae-hyong, chairman of the Democratic Justice Party, has said that it is right and proper for businessmen to enter politics. There is no reason for business leaders to shy away from politics, he said, citing the fact that many labor leaders make inroad into politics. In a speech during a seminar of top managers at Mt Sorak Wednesday, the majority party leader said the businessmen's joining in politics should not be viewed as "collusion" but as "co-existence." In view of labor issues, capital, and the international trustworthiness which business leaders have achieved, it was very natural for businessmen to join politics, Rep Yi said. This was more so in view of the government plan to make a "second take-off" in economics, he said. The seminar is sponsored by the Korea Management Association and ends today. [Text] [SK310648 Seoul THE KOREA TIMES in English 31 Jul 81 p 1]

'NATIONAL SPIRITUAL EDUCATION' BODY--Seoul, 29 Jul (YONHAP)--The Korean Government has decided to set up an inter-ministry body to deal exclusively with policies on national spiritual education. The decision came during a regular cabinet session at the Capitol conference room Tuesday and empowers the body to deliberate on and coordinate major policies on national spiritual education concerning democratic consciousness, anti-communist stance and national unification. The body will also cooperate with government agencies, private enterprises and schools at all echelons in conducting the spiritual education and evaluate the outcome of the education given by such organizations. The body chaired by Prime Minister Nam Tok-u will have 11 minister-level government officials as its members. They include the ministers of home affairs, defense, education, labor, culture-information, government administration, the directors of the National Unification Board and the Agency for National Security Planning, the senior presidential secretaries for political affairs and education and culture and the chairman of the Social Purification Committee. [Text] [SK290118 Seoul YONHAP in English 0045 GMT 29 Jul 81]

EXIT-ENTRY PROCEDURES LIBERALIZED--Seoul, 25 Jul (YONHAP)--Korea's cabinet Friday amended immigration regulations to simplify exit procedures for Korean workers headed overseas and entry procedures for Koreans residing in foreign countries. According to the amendment, Korean seamen assigned to foreign service may leave the country simply by presenting their seamen's papers for an exit screening on the day of their departure. The present regulation obligates seamen to file applications, recommendations and papers for the screening 2 days prior to their departure. The new amendment also requires prior entry notice by Korean residents abroad only

in those cases where the justice minister deems it necessary, liberalizing the present rule which demands such notice unconditionally 5 days prior to such persons' entry. [Text] [SK250313 Seoul YONHAP in English 0249 GMT 25 Jul 81] Seoul, 25 Jul (YONHAP)--South Korea's cabinet Friday approved new passport issuance procedures to go into effect next month which will greatly liberalize travel opportunities for the country's citizens. Multiple use passports valid for 5 years will replace the much more restricted passports so far issued to persons going overseas for cultural or business purposes, longterm study, marriage, employment, residence or technical training. The new 5-year passports will be valid for travel to all but 19 restricted countries--most of them in the communist bloc. Passports issued for visitation, tourism or short-term study purposes, however, will be effective for only 1 year. Government officials said a ban would be enforced, in principle, on holders of visitation passports going abroad again within 6 months of their return home. The revision also drops an age limit which forbids married couples to travel abroad together until they had reached a certain age. Export performance will no longer be a condition for obtaining visas for those going abroad for business purposes if they produce documents certifying purchases, orders, invitation letters and technology acquisition contracts. Beginning in July 1982, Koreans will be allowed to travel overseas if friends invite them and pay air fare and other costs and starting in January 1983 people aged 50 or over can go out of the country as tourists, the revision says. Those seeking overseas travel on an invitation from their friends or for sightseeing purposes, however, will be required to leave a financial deposit to guarantee their return. [Text] [SK250316 Seoul YONHAP in English 0251 GMT 25 Jul 81]

NEW CHIEF BODY GUARD--Seoul, 13 Jul (YONHAP)--President Chon Tu-hwan Monday appointed Chang Se-tong, an army general, as his chief bodyguard, succeeding Chong Tong-ho. Chong was returned to active military duty effective the same day. Chang, 45, a graduate of the Korean Military Academy's 16th class, has served with the Office of the Presidential Security Service and the Capital Garrison Command. [Text] [SK130409 Seoul YONHAP in English 0335 GMT 13 Jul 81]

ECONOMIC DEVELOPMENT PLAN ENDORSED--Seoul, 11 Jul (YONHAP)--Korea's ruling Democratic Justice Party (DJP) Friday finalized its suggestions for part of the country's fifth five-year economic development plan, to start next year. The suggestions, expected to be submitted to the government next week for reference, call, among other things, for increasing the wages of low-income people, expanding medical insurance and easing the housing shortage. The party endorses building multi-purpose dams, developing water sources and expanding agricultural irrigation systems in order to achieve self-sufficiency in food production. The DJP also calls for increasing subsidies to the provincial government from the current 12.1 percent of their budgets to 15 percent to improve their financial self-sufficiency, and for fostering small and medium industries through expanded tax holidays to boost employment. Emerging from a party policy committee meeting, chief policymaker Yi Chun-u said that the party had expressed its opinion in only three fields--small and medium industries, rural development and social welfare--all of which are directly related to the party's campaign pledges. [Text] [SK110404 Seoul YONHAP in English 0305 GMT 11 Jul 81]

IMPROVED CONDITIONS OF LOW-INCOME PEOPLE--The government plans to set up an inter-ministry body to deal exclusively with improving the living conditions of low-income people, it was learned yesterday. This was contained in a long-term program for the improvement of the living conditions of the grassroots, which is now being jointly drawn up by the premier's Office for Administrative Coordination and the Korean Development Institute on special instructions from President Chon Tu-hwan. President Chon had earlier instructed the cabinet to work out a long-range program to "liberate the people from poverty." The body now envisioned by the government will handle such matters as wage-distributing projects and implementation of technical training for low-income persons. [Text] [SK190102 Seoul THE KOREA TIMES in English 19 Jul 81 p 2]

PUNISHMENT OF STUDENTS--(Taegu) Kwon I-hyok, president of Seoul National University, on 29 July said: "It is impossible to extend a helping hand to those students who are punished by society because of acts considered in conflict with their positions as students." Answering questions on the issue of punishment for students in connection with campus disturbances during a friendly get-together with parents of students, to which some 500 from Taegu and the North Kyongsang Province area were invited and which was held at the Kyemyong College auditorium on the afternoon of 29 July, President Kwon went on to say: "The university authorities are employing every possible effort to save even one more of the problem students." [Text] [SK310252 Seoul CHOSON ILBO in Korean 31 Jul 81 p 7]

CSO: 4108/141

EMERGENCE OF FOREIGN BUSINESS CONSULTANTS DISCUSSED

Seoul TONGA ILBO in Korean 13 Jul 81 p 3. Seoul U.S. Embassy Translation [Summary]

[Text] Richard Holbrooke, former Assistant Secretary of State for East Asian and Pacific Affairs during the Carter Administration, has come to be much talked about in Korea for his position as "adviser" to Hyundai Group. Holbrooke is known as a first-class theorist reminding us of former Under Secretary of State George Ball.

With the inauguration of the Reagan Administration, he assumed the post of executive vice president of the Public Strategy Co., business consultants, in Washington. With an annual stipend, he will provide counsel and advice at the request of Hyundai. To be exact, Hyundai has become one of his clients; he has not been employed as "Hyundai's consultant." Details of his service c industrial policy of a high order," according to Hyundai st-ff.

Last April, he contributed an article criticizing "70 Days of Reagan Diplomacy" to the Wall Street Journal. In that article, he urged Vice President George Bush and Secretary of State Alexander Haig to visit the PRC.

It does not appear begetting a diplomatic theorist to provide counsel on industrial policy. Yet, his enthusiasm over the PRC and his farsighted views on Asia are expected to serve as a guide to the development of Korea's industrial policy. His role and his annual stipend remain veiled, but it will be too hasty a conclusion to expect anything beyond business ties.

Former Vice President Agnew, who has become a broker, former Secretary of State Rogers, and former Treasury Secretary George Shultz who has become executive vice president of Bechtel Corporation, are now generally better known as business executives. Defense Secretary Weinberger and Treasury Secretary Regan of the Reagan Administration are also businessmen who might someday come back to the business circles.

In Korea, it is generally accepted that one hailing from a government department might be better received in a related industrial field. But this idea is not accepted in foreign society. A recent trend is rather for foreigners to make use of the Korean notion of individual association and relationship.

Former Japanese Ambassador to Korea Kaneyama recently became an adviser to Sony. He visited Korea and met with the minister of commerce and industry to discuss

Sony's withdrawal of its share in Whashin-Sony as the Whashin Group appeared to be on the verge of bankruptcy. He did so by capitalizing on his old acquaintance with Korea.

Former American Ambassador to Korea Sneider has reportedly become an adviser to Westinghouse Electric, now eagerly seeking to sell nuclear plants to Korea. Last time, he visited Korea together with American coal businessmen and met with the minister of energy and resources. His proposition was that he would use his good offices if Korea wanted to import American coal. With an annual trade volume of \$40 billion and with orders being placed for nuclear power plants and electronic switching systems, Korea has long become an attractive target for business inroads by international business concerns.

A "memorandum on cooperation" issued by Secretary of State Haig to American ambassadors abroad last month is interesting to note. He urged them to take the van of selling America, without indulging only in making lip service and playing the gentleman. In fact, foreign envoys nowadays pay courtesy calls at the office of the commerce-industry minister no less frequently than at that of the foreign minister.

With the internationalization of business operations, there has arisen a boom of consultant firms. There are some companies powerful enough to be used as lobbyists. They may not be as professional as Jewish lobbyists. But it might be worth trying to ask them to help make Korea known as it is.

The more such business ties, though not necessarily with Agnew and Holbrooke alone, the better. This is so particularly in this era of "national salesmanship" in which foreign ambassadors present themselves on the business frontline.

CSO: 4108/136

LAG IN SEMICONDUCTOR TECHNOLOGY DISCUSSED

Seoul MAEIL KYONGJAE SINMUN in Korean 13 Jun 81 p 7

[Text] The domestic electronics industry has collided with the barrier of technology. While we spend time arguing about means of measuring the domestic consumption market, the advanced countries are consolidating their monopoly manufacture of semiconductor technology. At the point where we should be moving to the next stage in color television, domestic industry has not been able to make an inch of progress because of the high semiconductor technology barrier.

This is chiefly because in the semiconductor technology war, the United States and Japan control semiconductor technology on a worldwide basis, much as they do certain commodities, as not-for-sale technology. With the trampling of the American market by Japan which resulted from the backflow of semiconductors developed in the United States to Japan, a bilateral offensive and defense struggle has developed which is intensifying as time passes.

Considering current spheres of influence, in which Japan has begun gradually to surpass the United States, the future transfer of semiconductor technology to Korea looks very pessimistic.

The fact that the semiconductor issue was raised during the Korea-Japan Civil Economic Committee meeting which opened in Seoul on the 11th, though it was not on the preliminary agenda, is indicative of the concern of domestic industry, which reflects a similar international environment.

Kim Won-hui, president of the Electronics Industry Promotion Association, who boarded a plane for a European business trip today, attracted the attention of the Japanese representatives by suddenly calling for the transfer of semiconductor technology to Korea under the rubric of "ultramodern technology transfer."

President Kim began by explaining that the development of the semiconductor industry in Japan, one of the two world spheres of interest, had brought many benefits to Korea and had also brought disadvantages.

He pointed out that the selling of older technology contributed to today's growth in the Korean electronics industry, but that to monopolize video tape recorder and semiconductor technology, causing the industry's current predicament, is unreasonable.

President Kim cited the example of the Japanese semiconductor industry, which was facilitated in its growth by the introduction of American technology under license, and claimed that the refusal to transfer specialized technology to Korea is tantamount to Japan denying its own past, in view of the fact that fully 60 percent of our electronics technology comes from Japan.

The semiconductors which are becoming the focus of the world trade war are collectively called luminous element groups for transistors and integrated circuits. And it is the unanimous opinion of specialists in the field that this technology will become the new weapon of world domination in the eighties.

England dominated the world with its ships in the 1800's, and the United States came to dominate the world with its aircraft after 1930, but since the seventies, the world has become completely dominated by OPEC oil.

In view of these chronological changes in the weapons of world domination, it is a likely prospect that semiconductors are about to take their place in the eighties.

Applications for semiconductors are virtually limitless. From industrial robots to marine radars, not to mention household electronic equipment, electronic switching equipment, auto engine parts, all kinds of energy conservation equipment, as well as satellites and missiles--all are wondrous creations of semiconductor technology.

In a word, semiconductor technology is in a state of dynamic change. It is difficult to predict where this technology, which is constantly being renewed and formidably improved, will end.

While transistors have improved into integrated circuits, "very" large-scale integration is now at the successful stage of very high speed integration (VHSI).

The U.S. State Department is assured of the final outcome of the semiconductor struggle, and scientists see without a doubt that application of this developing VHSI technology will bring world supremacy.

World trade in semiconductors is a snowballing gold market.

Growing from around 4.4 billion dollars in 1975 to 12.5 billion last year, it is estimated that by 1985 volume will surpass 30 billion dollars.

Estimates are that control of an international market on such a scale would be 90 percent U.S. and 0.2 percent Korean.

On top of there being no roots to domestic semiconductor production, which began in 1965 with the Korean-U.S. joint venture, Korea-U.S. Products, there is not even any soil.

Although direct investment from U.S. companies such as Motorola, Skenetics and Fairchild was infused, we have not yet been able to rise above a wage industry in repair processing.

Korea Semiconductor, which was established in 1974, sowed the seeds with production of the first domestically produced wafer, but after being taken over by Saesung due to running in the red, the company is barely able to maintain its advanced position, while the stupendous losses remain the same.

Still, the Samsung Semiconductor production of CMOS (complementary metal oxide semiconductor) chips is only the fourth on record worldwide, and the National Television System Committee-style color signal control developed last year, in its own way, signifies the accumulation of development strength.

Also, although Gold Star Semiconductor began in the semiconductor business as ESS, a joint venture with America's Western Electric, the semiconductor plans of other known and unknown enterprises remain blank sheets.

Thus, the difficulty of semiconductor production may be attributed to the peculiarity of not being able to follow changing new technology from moment to moment, in the face of a market in which the technology is unavailable at the outset, even supposing a joint venture.

How do we nurture semiconductor production? The government must take the lead, pressing civilian enterprises to get on with the job.

8481

CSO: 4108/121

CONSTRUCTION OF NEW SHIP REPAIR DOCKS REPORTED

Seoul HYUNDAE NEWS in English Jun 31 p 8

[Text]

Hyundai Mipo Dockyard Co., Ltd. (HMD) is going to build two more large repair docks. Under the ship-repair expansion program of the Korean government, HMD will invest 55.4 billion Won to construct a 400,000dwt and a 250,000dwt repair dock to carry out the repair of vessels ranging from 10,000dwt to 300,000dwt. The construction will begin in July this year with completion scheduled for June 1982.

The Korean government has analyzed the competitiveness of Korean ship-repairers on the world market and found that Korea's repair facilities are short. Therefore, it has decided to build two additional repair docks at HMD and another 150,000dwt dock at another Korean shipyard.

The current boom in the shipping and shipbuilding industries brought about increased demands for ship-repairs. Changes in ocean transportation patterns, replacement of old engines with fuel-saving engines and anti-pollution regulations increased the needs for the conversion of ships.

Ship-repairing is a labor-intensive industry and calls for a high level of technology. In this respect, Korea has abundant, skilled labor and technology

accumulated over the past years. As far as ship-repair is concerned, Korea is strong enough to compete with Japan and Singapore. HMD's steel and painting works are the most competitive in the world.

The ship-repairing industry can contribute to the growth of the national economy through the high foreign exchange earning ratio and an increase in employment. Furthermore, such expansion will enable HMD to provide quick service to local ship operators who suffer from the lack of repair facilities in Korea.

The planned site of HMD is very deep and suitable for container-ships and large oil tankers. The sizes of the two docks will be 360m (L) x 65m (W) x 12.7m (D) and 265m (L) x 65m (W) x 12m (D). Once these repair docks are completed by the end of next year, HMD's repair capacity will be 450 to 550 vessels per year from the current 250 to 300 vessels.

HMD Lands on Brazilian Shipping Market

The Agencia Maritima Laurits Lachmann S.A., Brazil, which entered into an agency agreement with HMD in

early 1979 for the Brazilian ship repair market, has done their best to introduce HMD in this shipping circle. At the end of continuous sales activities, they recently succeeded in obtaining affirmative results for HMD: the first Brazilian award, the G/T S.T. JOSE BONIFACIO (126,760 G/T) from Petrobras/Petroleo Brasileiro S.A., one of the leading shipping companies in Brazil.

She arrived at HMD on June 10 after discharging at Oita, Japan, and the repair work completed by June 26 is as follows: about 6,000 m² blasting on side-shell platings, installation of a total of 2,912 pieces of cathodic protection in No. 1, 3, 6 and 8 cargo tanks, and considerable work on machinery.

This first VLCC from South America will be a good opportunity for HMD to develop and consolidate business relations with shipowners of Brazil, and other South American countries as well.

CSO: 4120/289

LEGALITY OF BUSINESS CONSOLIDATION EXAMINED

Seoul CHOSUN ILBO in Korean 19 Jul 81 p 2

[Excerpt] The Economic Planning Board has begun screening 10 business corporations to determine whether or not their business consolidation made since the enforcement of the Fair Trade Law on 1 April, has been fair and lawful. The 10 business enterprises including Miwon Heavy Equipment, Taihan Electric Wire, Daelim Industry, and Kumbokciu, have either absorbed other business firms and consolidated businesses through the acquisition of other company stocks or the transfer of goodwill.

The Fair Trade Office said on 18 July that a total of 27 different business firms have declared the facts about their business merger 15 July. Of the total, 17 firms have been determined as those which have consolidated businesses through fair methods. They include Korea Fertilizer, Kwangju Expressway Bus, Daewoo Industries and Samhwan Enterprise.

The EPB is now examining the remaining 10 firms as to whether they have merged other business firms through unfair means or for purposes of restricting fair competition. The 10 business firms are those which have absorbed other business firms by means of merger, stock acquisition (10 percent or more), or concurrent assumption of board membership. Miwon Heavy Equipment has merged Miwon Machinery; Taihan Electric Wire, Taihan Construction; Kolon Nylon, Kolon Polyester; Chindo Industry, Chindo Mulsan; and Samik Housing, Samik Enterprise.

Those determined as having merged other firms through legal and fair means under the law include Korea Shipbuilding and Engineering (which merged Okp'o Enterprise), Korea Electronic (Hankuk Television), Hapdong (Doosan Development), Hyundai Heavy Industry (Hyundai Special Chemical), Chunusa (Songch'u Farm), Samik Musical Instrument (Korea New Hope); and Kwangju Expressway Bus (which has taken over the goodwill of Orient Expressway Bus), Ch'onji Industry (Choyang Development's electrical work license), Chinsong Remicon (part of Pusan Industry's business); and Daewoo Industries (which has acquired 10 percent or more of the capital stock of Sina Shipbuilding), and Hyundai General Trading (Donga Industry).

CSO: 4108/137

S. KOREA/ECONOMY

OIL TO BE IMPORTED FROM MEXICO

SK250149 Seoul YONHAP in English 0108 GMT 25 Jul 81

[Text] Seoul, 25 Jul (YONHAP)--Korea has agreed to import crude oil from Mexico, the largest oil producer in Latin America.

The agreement was made Friday in Seoul by Korea's Energy-Resources Minister Pak Pong-hwan and visiting Director General Julio Rodolfo Moctezuma of the state-run Mexican oil company PEMEX, ministry officials said.

Emerging from a 1-hour meeting with Moctezuma, Pak told reporters that Korea had decided to import a small amount of oil from Mexico from a long-term perspective, to promote bilateral economic cooperation, even though Korea now has an excess in its crude oil supplies.

Pak said he asked the PEMEX chief to supply light oil rather than heavier oil, for which Korea has poor refining facilities.

Moctezuma, agreeing with Pak on the necessity for closer bilateral economic cooperation, promised a stable supply of crude oil as demanded by Korea.

Moctezuma also explained that Mexico's oil policy is to seek long-term economic cooperation and secure stable buyers, rather than pursue short-term profits.

Saying that the agreement would surely enhance an economic partnership between resource-rich Mexico and technically powerful Korea, Pak expressed hope for Korean participation in Mexican shipbuilding, fisheries and farming machine production and construction.

Moctezuma, accompanied by two senior PEMEX officials, flew into Seoul Friday from Tokyo on part of an oil-selling tour.

CSO: 4120/293

KOREAN PLAN FOR NON-DEPENDENCE ON PETROLEUM DISCUSSED

Tokyo DENKI SHIMBUN in Japanese 16 Jun 81 p 2

[Text] Mr Yi Yong-hi, office manager and a director of the Korean Electricity Board (KEB), came to Japan as a guest of the 60th Regular General Meeting of the Japanese Electricity Board. Taking advantage of this opportunity, we interviewed him about the Korean plan for independence from petroleum and about the activities of the KEB. According to Mr Yi, during the next 10 years until 1991, Korea will spend a total of \$30 billion and expand its generating capacity to 27.4 million KW, approximately three times the present capacity. Of the total capacity, 40.9 percent, or 11.2 million KW will be from nuclear power; 18.1 percent, or 5 million KW from coal, and 11.9 percent, or 3.3 million KW from water power. Korea plans to strongly pursue its goal of independence from petroleum and to drastically reduce its dependence on oil from the current share of 74 percent to below 20 percent. On the other hand, the KEB is pushing activities for the thorough conservation of energy, and is aggressively engaged in educational activities and publishing as a result of increased membership.

Question: Korea has succeeded in remarkable economic achievements. What is the present generating capacity and what are your plans for future expansion?

Electric Power Source To Be Increased Three-Fold in 10 Years

Answer: The economic growth rate of Korea was 10.3 percent in 1977, 11.6 percent in 1978 and 6.4 percent in 1979. In 1980, we saw the first negative growth rate of 5.7 percent. The rate will again be on the level of plus 5 percent in 1981, and is expected to average about 8 percent per year for the next 10 years from 1982 to 1991.

Accordingly, the demand for electric power increased by 16.4 percent in 1977, 19.7 percent in 1978, 14 percent in 1979 and even in 1980, the year of negative growth, increased by 5.1 percent.

The total generating capacity at the end of 1980 was 9,391,000KW--73.7 percent, or 6,922,000KW from oil; 12.3 percent, or 1,157,000KW from water power; 7.7 percent, or 725,000KW from coal, and 6.3 percent, or 587,000KW from nuclear power.

We plan to increase this capacity approximately three-fold to 27,400,000KW by 1991, by implementing the fifth electric power development five-year plan next year and the subsequent sixth five-year plan, to be in accord with [the projected] annual economic growth rate of 8 percent.

Question: How will you become independent of petroleum?

Nuclear Power To Be Increased to 41 Percent

Answer: At present we are building one oil-fired thermal power plant, but this will be the last one. Thereafter, we will pursue independence from oil mainly through nuclear power.

Specifically, we plan to build 36 power plants by 1991, which comprise 12 nuclear power plants, 10 coal power plants, 2 liquefied natural gas power plants, 8 hydro power plants, and 2 pumped storage power plants. By 1991, the composition [of our generating capacity] will be: 40.9 percent, or 11,216,000KW from nuclear power; 11.9 percent, or 3,265,000KW from water power, and 18.1 percent, or 4,970,000KW from coal. Power from petroleum will drastically drop to 18.3 percent, or 5,003,000KW. Of the total power generated, 51.4 percent will be from nuclear power and 10.9 percent from petroleum.

Question: What are the activities of the KEB?

Awareness of Energy Conservation

Answer: For energy conservation, the KEB considers the wasting of electricity as the wasting of oil, and thus the wasting of dollars. The KEB promotes saving by providing factories with free diagnoses of energy conservation. In the future, I believe that we must make home users thoroughly aware of energy conservation.

Question: The KEB seems to have expanded much recently.

Merged With Engineers Association

Answer: Last September, the KEB merged with the Engineers Association, which was a separate organization. This increased the membership of the KEB to 180 regular members, 210 special [corporate] members and 10,000 engineers.

Question: It seems that you do not have many special members.

Answer: Until now, the special membership was small because the KEB was centered only in the Seoul area without any local chapters. By merging with the Engineers Association, the KEB inherited eight local chapters of the association and made them into chapters of the KEB. I hope to use these chapters as the core for future expansion.

Question: What are your future plans?

Survey Team to Japan

Answer: First, I want to stress the education of our engineer members to cope with fast-paced technological innovations. For our special members, I would like to hold seminars to provide them with new technological information from abroad. As

a trial activity, I plan to send in October of this year a team of 35 or 36 [Korean] industry representatives to survey Japanese industry. The team will visit Japanese manufacturers of heavy electrical equipment, home appliances and wire. These visits will be continued in the future.

Question: We heard that you plan to publish a [trade] newspaper.

Active Publishing, Too

Answer: We almost succeeded in it [publishing a trade newspaper] the year before last. Since both the members and the president of the KEB want to publish a newspaper, I am considering its publication by next year after I study the Japanese DENKI SHIMBUN. I would like to make it a good, solid newspaper in cooperation with the Japanese DENKI SHIMBUN. This is imperative for the development of electrical industry in Korea.

At present, the KEB issues many technical publications such as a monthly newsletter and a yearbook of electricity. Also, we drew up [industrial] codes for indoor wiring last year, and are considering drawing up codes for circuit wiring next year. I wish to continue our active publishing.

9829

CSO: 4105/196

S. KOREA/ECONOMY

KCCI URGES REDUCED GOVERNMENT ROLE IN BUSINESS

SK170934 Seoul YONHAP in English 0850 GMT 17 Jul 81

[Text] Seoul, 17 Jul (YONHAP)--The Korea Chamber of Commerce and Industry (KCCI) Thursday urged government economic policymakers to foster competitiveness by improving marketing structures in order to pursue price stability, and to allow businesses to demonstrate their initiative to the utmost.

The KCCI made those points at a social gathering with Korea's ruling Democratic Justice Party (DJP) at the party's downtown Seoul headquarters, emphasizing that government intervention in business should be limited to complementing market economic system, and that all of the regulations involved in licensing and being licensed should be entirely reorganized for simplification.

The KCCI said that the government should adopt the national welfare of the Republic of Korea as its main policy guideline, while at the same time continuously pursuing democratization of the economy.

The economic body also said that any taxation systems distorted to achieve various policy goals should be rectified "without mercy" to ease the general tax burden, while distinguishing among the different sectors, industries' businesses and income brackets, and to implement more efficient distribution of resources.

The KCCI pointed out, in its proposed economic growth strategy presented to the DJP, that the current 19.5 percent interest on loans was rather high in view of Korea's current emergence from a long, protracted recession.

The KCCI, one of Korea's key private economic organizations, recommended that government policymakers move to reduce the interest level continuously in order to precipitate an economic recovery during the latter half of this year.

On economic cooperation with ASEAN member countries, the organization urged the government to conclude trade agreements such as the one Korea has with Singapore with the four other ASEAN members as soon as possible.

The KCCI also maintained that Korea should move away from a unilateral export policy toward the ASEAN region, and encourage imports from those countries for political purposes, to maintain complementary bilateral trade relations.

CSO: 4120/293

S. KOREA/ECONOMY

GNP GROWTH SAID TO DEPEND HEAVY ON RICE HARVEST

SK280313 Seoul YONHAP in English 0243 GMT 28 Jul 81

[Text] Seoul, 28 Jul (YONHAP)--Korea could attain 9.5 percent gross national product (GNP) growth in the second half of this year and thus the adjusted annual GNP growth rate would be 6.5 percent, if money supply, interest, foreign exchange rates and nominal wage increase could be maintained at current levels during the rest of the year, the Korea Development Institute (KDI), a prestigious economical think-tank in Seoul, predicted Tuesday.

The KDI made the projection in an economic prospect for the second half of 1981 and the latest economic developments in the country.

Korea's current economic policy calls for maintaining the money supply increase rate below 25 percent, adjusted annually, to 23 percent, the lending interest rate at 20 percent, the deposit interest rate at 19.5 percent and holding the depreciation of Korean won against the U.S. dollar to 5 percent (693 won against the U.S. dollar), and the nominal wage increase rate to 20 percent. Both the nation's ordinary revenue and expenditure and the balance of payment would see deficits of 2.7 billion dollars and 2.2 billion dollars respectively and the fixed investment would stand at 3 percent, if the leading economic indicators were held down at the current levels, the KDI said.

Wholesale and consumer price increases could be controlled at 21.5 percent and 21 percent, respectively, under this assumption, the KDI said.

However, the achievement of the 6.5 percent GNP growth projected for 1981 is expected to depend heavily on the outcome of this year's rice harvest, since the GNP growth target was set on the assumption that the rice harvest could reach 38 million sok, an average crop (a sok is equal to 5.12 U.S. bushels).

The KDI survey also said Korea could register an 8 percent GNP growth, 10 percent fixed investment, 25.5 billion dollars in commodity exports and 29.5 billion dollars in imports, creating 4 billion dollars in trade deficit, if the money supply rate was held down to 20 percent, the lending interest rate to 18 percent, the deposit interest rate to 17 percent, and the foreign exchange rate increase to 3 percent (714 won against the U.S. dollar).

CSO: 4120/293

BRIEFS

JAL ORDERED TO RAISE WAGES--Seoul, 31 Jul (YONHAP)--Korea's Central Labor Committee Thursday ordered Japan Air Lines (JAL) to raise wages for its Korean employees by an average 21.5 percent retroactive to 1 April, committee officials said Friday. The ruling came following a series of meetings between the representatives of the Korean branch of JAL and the Korean employees of the JAL branch under the committee's arbitration. The two parties also agreed that the Korean employees would pursue labor union activities within the limits of the Korean Labor Act and respect the company's management right. The Korean branch of JAL had conflicts with Korean employees on wage problems since March. [Text] [SK310145 Seoul YONHAP in English 0129 GMT 31 Jul 81]

KAL SERVICE TO TRIPOLI--Seoul, 31 Jul (YONHAP)--The Korean Air Lines (KAL) will open its regular service to Tripoli by September, extending its Seoul-Bahrain route to the Libyan capital, KAL officials said Friday. According to the officials, KAL already agreed with Libya on the fee to use the route. Korea and Libya established full diplomatic relations last December, but have not yet concluded an aviation agreement. KAL, thus, would initial the Seoul-Tripoli service under the Libyan Government's temporary authorization, the officials said. The two countries are scheduled to hold a bilateral aviation meeting in October. [Text] [SK310054 Seoul YONHAP in English 0049 GMT 31 Jul 81]

GRAIN PRICE INCREASE--The retail price of government-held rice was hiked by an average 5 percent to 54,380 won (first grade) and to 46,700 won (second grade) per 80 kg each effective midnight yesterday. The Ministry of Agriculture and Fisheries officials said yesterday that along with this, consumer prices for state-owned compound grain and barley were increased by 4.3 and 4.6 percent to 3,860 won per 10 kg and 20,180 won per 76.5 kg respectively. According to the officials, the price hike for state-held grains is part of the government's efforts to reduce snowballing deficits in the "grain account" of the government special budget and to enhance the morale of farmers. With the measure, the ministry officials said, the special grain account deficit will be reduced by 36,200 million won every year. In the meantime, the additional burden imposed on consumers by the increase will be 1,050 won per month for a five-member family. The wholesale and retail prices will be affected by 0.169 and 0.127 percent each, the officials said. In the case of government-held rice, the government has adopted a differential price system (first and second grade) for the first time to stop rice dealers from cheating consumers into buying government-held rice instead of ordinary rice available on the free market. Ordinary rice is superior in quality to government-held rice. [Text] [SK240553 Seoul THE KOREA HERALD in English 24 Jul 81 p 1]

MEXICO OFFERS 40,000 BARRELS/DAY--Seoul, 24 Jul (AFP)--During conversations held today between Julio Moctezuma, director general of PEMEX, and Pak Pong-hwan, South Korean minister of energy and resources, Mexico offered to supply South Korea with 40,000 barrels of crude oil per day at a provisional price of \$33.25 per barrel. However, South Korea wanted to purchase only half the amount offered. It will therefore be necessary to negotiate further details. Because of its persistently stagnant economy, South Korea is currently being supplied with more crude oil than it needs; 556,000 barrels per day. Its daily consumption is only 450,000 barrels. [Text] [PA250310 Paris AFP in Spanish 1414 GMT 24 Jul 81]

NIGERIAN RAILWAY CONTRACT--Korea's Daewoo Business Group has concluded a \$15.01 million contract to manufacture 333 passenger and freight cars for the Nigerian Railway Corp., company officials reported last week. They said that the Daewoo Heavy Industrial Co. Ltd. would manufacture the contracted cars, to be delivered in the first half of 1982. [Text] [Seoul YONHAP NEWS AGENCY WEEKLY NEWSLETTER in English 29 Jun 81 p 8]

SAMSUNG CONTRACT WITH LIBYA--Korea's Samsung Construction Co., part of the Samsung Business Group, has won a \$130 million contract for the construction of steel-making factories and infrastructure facilities in the Misurata Steel Mill Complex in Libya, business sources said last week. The sources said that firms from Japan and other advanced countries had bid for the contract, awarded by the state-run Libyan General Corp. for iron and steel projects. Samsung had another \$50 million contract on hand from the Saudi Defense-Aviation Ministry to construct a building for the Saudi Military Survey Department, the sources added. [Text] [Seoul YONHAP NEWS AGENCY WEEKLY NEWSLETTER in English 29 Jun 81 p 8]

SHIPBUILDING FOR MIDDLE EAST--Korea's Hyundai Business Group last week signed a contract with the United Arab Shipping Co. to build nine container vessels for \$400 million. Under the contract, Hyundai will construct nine 1,846-TEU (20-foot equivalent unit) container ships of 35,000-DWT class, and 14,000 steel containers, for the Arab shipping firm. The largest in the Middle East, it is jointly operated by Kuwait, Bahrain, Iraq, Saudi Arabia, Qatar and the United Arab Emirates. The vessels will be built at the Ulsan shipyards of the Hyundai Heavy Industries Co., an affiliate of the Hyundai Group, for delivery from January through October 1983. [Text] [Seoul YONHAP NEWS AGENCY WEEKLY NEWSLETTER in English 6 Jul 81 p 8]

JOINT U.S. PETROLEUM VENTURE--The U.S. offshore drilling firm, Zapex, is the final choice as partner for the state-run Korea Petroleum Development Corp. (PEDCO) in a joint venture for the development of undersea oil resources in a 6,070 sq. km of continental shelf area southwest of Cheju-do, the Ministry of Energy and Resources announced last week. The Korea-U.S. joint oil exploration area--part of the 42,449 sq. km fourth mining block bordering the fifth mining block to the east and the seventh mining block to the southeast--is among the highest in potential for commercial-scale crude oil deposits in the Korean offshore areas. The terms of the contract--signed directly between PEDCO and Zapex--are far more favorable to

Korea than any previous agreements with foreign oil exploration firms for development of offshore hydrocarbon resources, ministry officials said. The joint venture will be equally shared by both sides and the Korean side will collect as much as 20 per cent of the total oil production in royalties, the officials said. The figure is well compared with 12.5 per cent in royalties of oil production which Korea can collect from KOAM--Korean-side concessionaires in the seventh submine zone in the Korea-Japan joint development zone, they said. Zapex is to pay 50 per cent of its profits from the oil wells in the joint development zone as corporate tax to the Korean government after completely recovering its costs, they added. It means Korea will take more than 80 per cent of all profits in the fourth mine zone minus exploration and development costs, the official explained. [Text] [Seoul KOREA NEWSREVIEW in English 4 Jul 81 p 18]

LABOR-MANAGEMENT RELATIONS--The Ministry of Labor Affairs held a meeting with officials of the Federation of Korean Trade Unions (FKTU) and various industrial labor unions on 21 July. They discussed the incidence of illegal labor practices as well as the management of labor unions. The meeting was attended by some 35 government and union officials, including Vice Minister of Labor Affairs Chong Tong-ch'ol and FKTU Secretary General Yi Yong-chun. At the meeting, the ministry disclosed that "If any unlawful labor practices are ferreted out in the future those involved will be severely punished pursuant to the provisions of the Labor Standard Law and other pertinent regulations." It further said, "The labor unions are earnestly urged to cooperate closely with employers in efforts to prevent the further occurrence of illegal labor practices through compromise and dialogue rather than extreme confrontation." Responding to this, labor officials asserted that "Illegal labor practices will disappear from our society only if labor union activities become reinvigorated." They then made a suggestion that the scope of labor union activities be expanded. At the meeting, the ministry further revealed that employers of 14 places of business involved in unlawful labor practices were legally booked and that labor union leaders laid off for their leading role in the labor movement had been reemployed. [Text] [Seoul CHOSON ILBO in Korean 22 Jul 81 p 7]

MEASURES TO INDUCE FOREIGN CAPITAL--Seoul, 25 Jul (YONHAP)--The Korean Government will specify in which sectors and to what extent foreign investments are possible in a measure to induce more foreign capital into the country, according to a white paper released Saturday by the Economic Planning Board. The "White Paper on Foreigners' Investment" lists 427 industrial sectors in which foreigners are permitted to invest, 49.9 percent of the country's total business divisions. Among those permitted sectors, foreigners are allowed to invest up to 100 percent in 56 industries which need sophisticated technology and massive facility apparatus, such as computers and some heavy industries. The paper also specifies that in 371 sectors foreigners are permitted to invest up to 50 percent in joint ventures with Korean businesses, including auto parts, dyestuffs and medical materials. The Korean Government has so far dealt separately with each case of foreign investment, approving inducements totaling 1.22 billion U.S. dollars in 822 instances from 1962 through June 1981. [Text] [SK250311 Seoul YONHAP in English 0245 GMT 25 Jul 81]

ECONOMIC GROWTH IN 1981--Seoul, 16 Jul (YONHAP)--The Korean Government expects the country's economy to grow 6 to 7 percent this year, exceeding the originally projected 5 to 6 percent growth target. Deputy Premier-Economic Planning Minister Sin Pyong-hyon Thursday said that the reflexive growth of the agricultural sector, stemming chiefly from a normal rice crop this year, would boost the economy that much. Sin made the point at a joint meeting of government officials and leading members of the ruling Democratic Justice Party. In a briefing on this year's economic prospects, Sin also said that since increases in prices of raw materials on international markets are expected to slow down in the second half of this year, the government should be able to hold this year's domestic price hikes at 20 percent. Growing exports and stabilized crude oil prices will improve the country's trade balance in the second half of this year, but the current account will not improve considerably due to increased interest payments, Sin said. He said he expected the currently sluggish investments to increase beginning in the last quarter of this year. [Text] [SK160309 Seoul YONHAP in English 0259 GMT 16 Jul 81]

LABOR UNION MEMBERSHIP DECLINES--Seoul, 20 Jul (YONHAP)--Labor union membership has decreased rapidly in Korea since the government revised the Labor Union Act late last year to prevent third parties from intervening in labor problems and to tighten the requirements for establishing labor unions. According to Federation of Korean Trade Unions (FKTU) officials, the number of unionized workers dropped from 947,736 at the end of last year to 940,985 at the end of January, 920,317 in February, and 837,766 in March. A ranking FKTU official Monday said that the rapid decrease in unionized workers was causing serious financial problems in FKTU operations. The official added that another revision of the Labor Union Act is urgently needed to revive Korea's labor unions. [Text] [SK200054 Seoul YONHAP in English 0052 GMT 20 Jul 81]

CSO: 4120/293

AGRARIAN LANDTAX BURDEN DISCUSSED

Seoul HANGUK KYONGJE SINMUN in Korean 17 Jun 81 p 7

[Article by Kim Ki-song, Research Staff at the Institute of Agrarian Economy:
"Agrarian Landtax Burden Is Heavy"]

[Text] The contradictory and irrational nature of the current agrarian landtax causes its burden to fall heavily on farmers, becoming a major element in farmers' dissatisfaction with taxes.

An on-site study conducted by the Institute of Agrarian Economy last October found that of the 1,802 farm households interviewed, 27 percent (484) said that the agrarian landtax is excessive while no fewer than 64 percent (1,150) stated their dissatisfaction with unfair assessing of the landtax was unfair; the results of the Institute's recent analysis of the farmers' agrarian landtax burden, based on related regulations such as taxation and front-line administrative organ collection of agrarian landtax assessments, show sufficient cause for the farmers' discontent.

That is, not only do the farmers bear an agrarian landtax markedly higher than the urban workers' composite income tax rate, but the second class agrarian landtax (assessed on land used to grow pepper, garlic, apples, ginseng, etc) is heavier than the first class agrarian landtax (assessed) on land used to grow rice), so that the great difference in tax liability for these lands makes for another major element in the farmers' dissatisfaction.

These facts can be seen clearly in the comparison of current tax liability contained in Table 1.

As seen in Table 1, to pay W100,000 in 1980 taxes, the urban worker's tax rate would be only 2.9 percent of a composite income of W3,410,000 whereas a rice farming household's rate would be 7.5 percent of a rice income of W1,330,000 (gross rice income W1,830,000) and a pepper cultivating farm household's rate would be 13.8 percent of a W770,000 pepper income, both much heavier tax burdens than that of the urban worker.

Furthermore, if the urban worker is a salaried employee receiving a 400 percent bonus per year, an additional W520,000 can be figured into his basic tax exclusion so that his tax decreases from W100,000 to W61,800, for a tax rate of 1.8 percent.

Table 1. Current Tax Liabilities, Urban/Rural & Class A/B Agrarian Land

Income & Tax Rate Liability Amount	Rice Income		Pepper Income		Composite Income Tax	
	Rice (1) Household	Tax Rate	Pepper Household	Tax Rate	Urban Worker	Tax (2) Rate
W10,000	W659,000 (906,500)	1.5%	W210,000	4.8%	W2,027,000	0.5% (0)
W100,000	W1,330,000 (1,829,400)	7.5%	W772,500	13.8%	W3,410,000	2.9% (1.6)
W200,000	W2,057,400 (2,830,000)	9.7%	W1,222,500	16.4%	W4,427,000	4.5% (3.3)

* (1) Figures in parentheses are gross income from rice production.

(2) Figures in parentheses are tax rates for the case in which the urban worker receives a yearly 400 percent bonus, after the basic tax exclusion of W2,380,000 including the W520,000 bonus exclusion.

By the same calculation, in a case where the tax is W200,000, the tax rate for first class agrarian land is 9.7 percent and for second class agrarian land, 16.7 percent, while by comparison the composite income tax is no more than 4.5 percent (3.3 percent with a 400 percent bonus).

If there were a large proportion of farm households whose rice and pepper incomes were as high as the W3,500,000, W4,000,000 or W8,000,000 incomes of urban workers, the inequality of tax burdens between city and country would not be such a serious problem.

However, in reality the 1979 national average farm household rice income was only W960,863 and the income of farms between 1 and 2 hectares, which comprise 41 percent of all farm households, was no more than between W1,538,204 and W1,701,386 and even those large farms over 2 hectares only reached the level of W2,471,390 (gross income from rice production, W3,400,000; tax table, W2,660,000).

Thus under the tax structure of current tax law (See Table 2), the fact that in the stratum where income exceeds W2,400,000 (rice farm household gross rice income, W3,140,000; pepper farm household income, W2,510,000) the agrarian land tax rate is lower than that of the composite income tax is meaningless as far as keeping the farmers' tax burden as low as that of urban workers; on the contrary, most farm households (those with less than W3,140,000 in gross rice income or less than W2,510,000 in pepper income) suffer the application of higher tax rates than urban workers and bear a great tax burden.

Table 2. Comparison of Urban/Rural Tax Rate Structure

Rate of Tax Assessment Per Type of Tax	Agrarian Landtax		Composite Income Tax (W1,860,000)
	First Class (W740,000)	Second Class (W10,000)	
Under W150,000	6%	10%	6%
W150,000-300,000	8	15	6
300,000-1,200,000	10	20	6
1,200,000-1,860,000	10	20	8
1,800,000-2,400,000	10	20	10
2,400,000-3,000,000	10	20	12
4,500,000-5,400,000	10	20	21

The following items are cited as elements in the inequality between urban and rural tax burdens.

One: The agrarian landtax basic exclusion is too low, either relatively or absolutely. (See Table 3)

Table 3. Comparison of Agrarian Land Tax and Composite Income Tax Basic Exclusions (in thousands of won)

	<u>77</u>	<u>79</u>	<u>80</u>	<u>80/77</u>	Comparison with Household Expense
First Class	433	740	740	167%	44.5%
Agrarian Land Tax (A)	(28.3 som) ^a	(41.4 som)	(33.2 som)		
Second Class	53	110	110	207%	-
Agrarian Land Tax (B)					
Composite Income Tax (C)	1,200	1,860	1,860	155%	87.9%
		2,380*	2,380*		
B/A	36.9%	34.0%	39.8%	-	(112.5%)*

^asom=4.96 bushels

*includes 400% bonus for urban workers

Compared to the W1,380,000--W1,860,000 basic exclusion of the composite income tax, the agrarian landtax basic exclusion of W740,000--W110,000 is low, and the percentage of the average household expense accounted for by the basic exclusion is only 44.5 percent for the landtax as compared to 87.9 percent for the composite income tax.

Two: The landtax rate applied to medium (1.5-2.0 ha) and smaller farm households is relatively high.

The composite income tax applies rates of 6--8--10 percent up to an income of W4,780,000 (assessment level W2,400,000), but the agrarian land tax applies rates of 6-8-10 percent to incomes ranging from W410,000 (second class land) to W7,560,000 (gross rice income W1,040,000, first class land).

Table 4. Comparison of Tax Rates and Assessment Intervals

Agrarian Land Tax			Composite Income Tax		
Assessment Level	%	Interval	Assessment Level	%	Interval
Under W150,000	6	W150,000			
Gross Rice Income W890,000	(10)				
W150,000-300,000	8	W150,000			
Gross Rice Income W1,040,000	(15)				
Over W300,000	10	unlimited			
	(20)				
	10		under W1,200,000	6	W1,200,000
	10		W1,200,000--	8	W600,000
			W1,800,000		
	10		W1,800,000--	10	W600,000
			W2,400,000		
	10		W2,400,000--	12	W600,000
			W3,000,000		
	10		W3,000,000--	15	W600,000
			W3,600,000		
	10		W4,500,000--	21	W900,000
	(20)		W5,400,000		

Figures in () are tax rates for second class agrarian land.

Three: The level intervals set by the agrarian landtax in order to apply tax rates and produce taxes are too narrow (refer to Table 4). In comparison to the W1,200,000--600,000--1,000,000--1,500,000 intervals of the composite income tax, the W150,000--W150,000--unlimited interval of the agrarian landtax is narrow; in particular, the first class agrarian landtax assessment interval of W150,000 was set in 1975 when the price of one 54 kilogram kama of rice was W9,530 so that it was then a substantial sum equivalent to 15.7 kama, whereas by the 1981 price levels it had shrunken to 6.7 kama, a 43 percent decrease.

Four: Because the first class agrarian landtax basic exclusion is set by the tax law as a fixed monetary amount (W433,000 in 1977, W530,000 in 1978, W740,000 in 1979/80), the actual basic exclusion amount (in kind) decreases with the increase in rice prices; as a result, the farmers' tax burden increases automatically. The W740,000 basic exclusion current as of the end of 1980 is equivalent to 33.2 kama of rice (government price standard for second grade rice), which, compared with the 41.4 kama of 1979 means a 20 percent decrease in the actual basic exclusion; as a result, the farm household that bore an agrarian landtax of 5.3 kama in 1979 bore one of 6.3 kama in 1980, so that even though other factors such as tax rates and assessment intervals remained fixed, the increase in the government price (25 percent in 1979) caused the farmers to bear a 25 percent actual tax increase during the span of 1 year.

Considering the major problems cited above, in order to alleviate the inequality in tax burdens between city and country, and between first and second class agrarian land households, and thereby ease the farmers' discontent with taxes, the following major changes in the agrarian landtax must be carried out: One,

increase the basic exclusion of the agrarian landtax to a certain level, taking into consideration farm household expenses, parity with urban workers, the proportion of taxable crops in agricultural income and increases in rice prices, after which it would be adjusted in linkage with rice prices; two, increase the assessment interval from the current W150,000 to a minimum of W350,000, and; three, change the first class agrarian landtax from the current "rough rice income" standard to an "income amount" standard like that of the second class agrarian landtax borne by the farm households cultivating pepper or like the composite income tax borne by urban workers, and make it possible to adjust assessment amounts by a system of linkage which considers rice yields.

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CSO: 4108/120

S. KOREA/SOCIAL CONDITIONS

BRIEFS

FOREIGN LANGUAGE STUDIES--Some 50 career diplomats at the Ministry of Foreign Affairs have been getting Chinese and Russian lessons since the start of July. An official at the ministry says that the lessons are necessary for conducting active diplomacy if and when these powers change their views on the Korean question. [SK161325 Seoul CHUNGANG ILBO in Korean 15 Jul 81 p 1]

FOREIGN LANGUAGE TRAINING--Seoul, 15 Jul--The Korean Education Ministry plans to set up a foreign language high school next year, and to expand the foreign language curriculum at the 11 high schools already designated by the ministry to give extensive foreign language education. Ministry officials said Wednesday that such measures were necessary for effective foreign language education overall, and to train students who have a natural aptitude for foreign tongues. The ministry also plans to send more foreign language teachers overseas beginning next year to help acquaint them with foreign things and languages, and to host frequent workshops staffed by many foreigners to improve the quality of foreign language teachers. An ad hoc foreign language education improvement committ. will be formed this month to discuss and work out other measures such as beginning foreign language education earlier, noting students conversational ability in their academic records and testing it in school entrance examinations, and revamping the current foreign language curricula at middle and high schools, the officials said. [SK161325 Seoul YONHAP in English 0736 GMT 15 Jul 81]

CSO: 4120/293

S. KOREA/FOREIGN RELATIONS

JAPAN SEEKS EXPANDED CULTURAL EXCHANGES

SK290201 Seoul YONHAP in English 0134 GMT 29 Jul 81

[Text] Seoul, 29 Jul (YONHAP)--The Japanese Government has a strong desire for expanding government-level cultural exchanges with Korea as part of its efforts to eradicate the two peoples' prejudice against each other and increase mutual understanding between the two peoples, diplomatic sources here said Wednesday.

The Tokyo government is expected to take up the issue of cultural exchanges between the two countries at the Korean-Japanese foreign ministers conference in August and the Korean-Japanese ministerial meeting in September, the sources said.

According to the sources Tokyo views that Korean-Japanese relations are not developing in close cooperation in recent days and the Tokyo government attributes it to the lack of mutual understanding between the two peoples.

To that end, Tokyo may propose forming a bilateral culture exchange committee to promote mutual visits by youths, scholars, artists and journalists to each other country and expand exchanges of popular art between the two countries, according to the sources.

Korea and Japan have concluded a culture cooperation treaty designed for the return of Korean cultural assets brought into Japan, and the two countries, in line with an agreement at the Korean-Japanese regular ministerial meeting in August 1971, send 10 to 20 college students to each other annually for the particular purpose of cultural exchanges.

Meanwhile, government officials, acknowledging the need to promote cultural exchanges between the two countries, said that they were not sure how the Korean people would accept such a move in the light of their anti-Japanese sentiment.

The officials, however, added that if the Japanese Government makes a formal proposal for such exchanges, the government would decide on it after close consultations with the ministries concerned.

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S. KOREA/FOREIGN RELATIONS

BRIEFS

JAPANESE SOCIALIST LAWMAKER ARRIVES--Seoul, 29 Jul (YONHAP)--Japanese Lower House member Kansei Nakano Wednesday paid a courtesy call at Korea's National Assembly in Seoul to see the assembly's operations. Nakano is concurrently the Policy Deliberation Committee chairman of Japan's opposition Democratic Socialist Party. The Japanese lawmaker arrived in Seoul Tuesday for a 4-day official visit at the invitation of the Korea-Japan Cultural Research Center. [Text] [SK290154 Seoul YONHAP in English 0111 GMT 29 Jul 81]

CSO: 4120/293

S. KOREA/FOREIGN TRADE

RESTRICTIONS ON OVERSEAS INVESTMENT TO BE LIFTED

SK140902 Seoul YONHAP in English 0823 GMT 14 Jul 81

[Text] Seoul, 14 Jul (YONHAP)--The Korean Government is expected to lift all restrictions on overseas investments in an effort to penetrate the vast export markets in Southeast Asia and insure a more stable supply of natural resources in the wake of President Chon Tu-hwan's recent visit to the five ASEAN member countries.

To that end, the government will allow firms in the agricultural and forestry, precious metals, restaurant, real estate and service sectors to operate in foreign countries, ranking government sources said Tuesday. Such capital investments overseas had so far been banned.

The government will also simplify licensing procedures for such projects as the joint development of natural resources overseas and plant exports, while modifying legal provisions governing overseas investments, so that Korean businessmen can make capital investments more easily.

The government has so far sought a foreign exchange policy emphasizing maximum inducements of foreign capital and minimum flights of foreign exchange overseas. The urgent task now facing the nation, however, is to promote exports and insure a stable supply of raw materials, necessitating a lifting of restrictions on overseas investments, the officials said.

Overseas investments of more than 500,000 U.S. dollars will no longer require government permission if they are approved by the Bank of Korea.

Noting that the removal of restrictions on overseas investments is in line with the government's internationalization policy to encourage overseas study employment and travel, the officials noted that investments in the production of military hardware or real estate aimed at diverting foreign exchange would still be banned.

The government has programmed 30 billion won (43.8 million U.S. dollars) to support overseas investments this year. As of the end of May, however, only 600 million won (one U.S. dollar is worth about 685 won) had actually been invested overseas.

Overseas investments by private Korean firms amounted to 231 million dollars in 318 projects, on an approval basis, during the first 6 months of this year, of which only 134 million dollars was actually invested.

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BRIEFS

EFFORTS FOR AFRICAN TRADE--Seoul, 13 Jul (YONHAP)--The Korean Traders Association (KTA) Monday called upon both the government and domestic traders to make steadier efforts to boost exports to African countries, which reportedly have vast trade potential. In a report on export strategy for the African region, the KTA pointed out that the country's exports to African countries had fluctuated sharply in recent years because of the lack of effective cooperation channels with them. The KTA report foresaw good prospects for exports of medium raw materials and capital goods to African countries to help implement their industrialization and development projects, and called upon Korean traders to handle orders from them promptly and conscientiously, even if the quantities involved are insignificant. The report also said that measures should be taken quickly to help encourage Korean firms to set up overseas subsidiaries in joint ventures with African countries, particularly in the construction field. Korean firms should participate in development projects in the African region, "not as economic benefactors but as partners," boosting credit exports and strengthening technical training for people there, the report said. [Text] [SK130124 Seoul YONHAP in English 0107 GMT 13 Jul 81]

REMITTANCES BY FOREIGN FIRMS--Seoul, 18 Jul (YONHAP)--The 821 foreign-invested companies doing business in Korea remitted a total of 38.09 billion won (55.6 million U.S. dollars) last year in profits earned the year before. Top remitters were the four refineries with a total of 7.76 billion won, followed by 175 electronics firms (6.27 billion won) and 10 financial companies (6.26 billion won), according to foreign-invested companies' 1980 corporate taxes filed Saturday with the Office of National Tax Administration (ONTA). Sales by the 821 firms totaled 6.12 trillion won (8.93 billion dollars), of which real income less expenses was 359.1 billion won, thus registering a 5.86-percent profit ratio in 1979, the ONTA data showed. The sales accounted for about 13 percent of the 46 trillion won all the domestic corporations made during the same period, and 23 percent of the domestic companies' 1.82 trillion won in income. Corporate taxes on the foreign-invested firms' income were originally assessed as 103.5 billion won, but their actual payments were 70.28 billion won, since 32.1 percent of the taxes assessed was discounted for the foreign firms. Of the 821, 693 companies engaged in manufacturing achieved a sales performance of 5.86 trillion won, or 95.7 percent of the total sales. Of those manufacturing businesses, the four oil firms' sales were 2.06 trillion won, followed by 175 electric and electronic makers (937.4 billion won), 73 textiles firms (519 billion won) and 63 metals companies (413 billion won). [Text] [SK180346 Seoul YONHAP in English 0313 GMT 18 Jul 81]

CSO: 4120/293

S. KOREA/BIOGRAPHICS

YONHAP PROFILES SECOND POLITICAL AFFAIRS MINISTER

SK161132 Seoul YONHAP in English 0914 GMT 16 Jul 81

[Text] Seoul, 16 Jul (YONHAP)--Retired Army General No Tae-u, appointed Thursday as Korea's second political affairs minister, was an elite army general who devoted himself to the birth of the country's Fifth Republic, assisting President Chon Tu-hwan with sharp judgment and firm determination in such national crises as the 26 October 1979 presidential assassination, the 12 December 1979 incident and the May 1980 Kwangju uprising.

No, a graduate of the Korean Military Academy's 11th class which was commissioned in 1955, served as the commander of an airborne brigade, assistant deputy chief for operational affairs of the Office of the Presidential Security Force, commander of an army division, capital garrison commander and chief of the defense security command before retiring from active duty Wednesday.

Known as a precise theorist, he is said to value the process of a thing more highly than its results. During his days as a field army commander, his chief motto was warm human relations and unity. He once said that the army is a collective organization that lives on morale--a phrase which has become a byword of the military.

After graduating from the military academy, he received additional military education at a special warfare school in the United States, and at the defense college.

During his cadet days, he ran the 100-meter race in 11 seconds and played a leading role in forming the first rugby team at the academy. His hobbies include tennis and music. He has such a deep knowledge of music that he writes the notes on music paper. He has one son and one daughter.

CSO: 4120/293

N. KOREA/POLITICS AND GOVERNMENT

DAILY MARKS ANNIVERSARY OF WORK ON NATIONAL FRONT

SK221358 Pyongyang KCNA in English 1041 GMT 22 Jul 81

[Text] Pyongyang, 22 Jul (KCNA)--Papers here today dedicate articles to the 35th anniversary of the publication of "On Forming the Committee of the Democratic National United Front," a historic work of the great leader Comrade Kim Il-song.

In this historic work published at a meeting of representatives of the democratic political parties and social organizations in North Korea on 22 July 1946 the respected and beloved leader Comrade Kim Il-song clearly expounded the need to form the Committee of the Democratic National United Front and its purpose and role and set forth a 20-point platform as a common programme of the committee of the DNUF.

In an article titled "Let Us Achieve Cause of National Reunification With United Efforts of the Whole Nation" NODONG SINMUN says:

An idea, theory, policy and fighting tasks clarified in the work have been brilliantly implemented in our peoples revolutionary practice to display their great vitality.

To step up the revolution and construction through a vigorous united front movement is a consistent policy of our party.

The great leader Comrade Kim Il-song set forth the chuche-oriented line of a united front in the first days of his revolutionary activities in his early years, implemented it with credit and accomplished the historic cause of national liberation. After liberation, he led the united front work to a new higher stage in conformity with the prevailing situation of the country and the requirement of the revolution.

He gave precedence, first of all, to organisationally rallying all the political parties, social organisations and people of all strata striving for the development and prosperity of the country and the independent and peaceful reunification of the fatherland.

He energetically organised and led the struggle to rally all forces supporting the construction of a democratic peoples republic while publishing immortal classic works including "On the Building of New Korea and the National United Front" to thoroughly expose and frustrate the manoeuvres of the U.S. imperialists and their

lackeys to disintegrate and weaken the revolutionary forces and the wrong tendencies of the right and "left" opportunists. As a result, the Committee of the Democratic National United Front was formed on 22 July 1946, which was later developed and strengthened into the Democratic Front for the Reunification of the Fatherland.

The Democratic Front for the Reunification of the Fatherland was the only united front organisation of whole Korea embracing all the democratic political parties and social organisations in the north and the south and even many middle-of-the-road and some rightist political parties and social organisations in South Korea desirous of the independent and peaceful reunification of the country.

With the formation of the Democratic Front for the Reunification of the Fatherland, our peoples government could rely on a more solid mass basis and ensure the decisive superiority of the revolutionary forces over the counterrevolutionary forces by firmly rallying broad segments of the popular masses including workers and peasants on a nationwide scale under the banner of anti-U.S. national salvation.

The article points to the fact that the great leader Comrade Kim Il-song wisely guided the united front work in each period and at each stage of the revolutionary development and that the glorious party center bears full responsibility for the destiny of the people of all segments and accords them a deep political trust and solicitude.

It stresses:

To reunify the divided country is the greatest national desire of the entire Korean people and the supreme task of the nation which brooks not a moments delay.

The reunification of the country is not a work for the interests of any separate class or separate circle but the cause of the whole nation. Therefore, only the united efforts of the nation can overcome all the obstacles in the way of national reunification and firmly guarantee the founding of the Democratic Confederal Republic of Koryo.

To achieve the great unity of the whole nation, we should take the right stand of transcending the differences in ideology and idea, political view, religious belief and social system, treasuring the common interests of the nation above anything else and subordinating everything to national reunification.

CSO: 4120/292

N. KOREA/POLITICS AND GOVERNMENT

DAILIES HAIL XIGANG BATTLE ANNIVERSARY

SK211055 Pyongyang KCNA in English 1032 GMT 21 Jul 81

[Text] Pyongyang, 21 Jul (KCNA)--Papers here marked the 45th anniversary of the historic victory in the Xigang battle organised and commanded by the great leader Comrade Kim Il-song in the period of the anti-Japanese armed struggle.

NODONG SINMUN in an article titled "Brilliant Battle Which Demonstrated Outstanding Art of Command and Might of Chuche-Based Guerrilla Tactics" says:

The Xigang battle which was waged in mid-July 1936, under the outstanding guidance of the great leader Comrade Kim Il-song was a historic battle of weighty significance in the advance of the Korean Peoples Revolutionary Army into the border area around Mt Paektu-san and the establishment of a new revolutionary base--Mt Paektu-san base.

Xigang located in the doorway to thick forests of Mt Paektu-san was a point which must be seized without fail to constantly expand the military and political activities of the Korean Peoples Revolutionary Army into the border area with Mt Paektu-san as the center and deep into the homeland.

The enemy had a vicious regiment of the puppet Manchoukou army stationed in Xigang, taking into account that it is a very favourable place for the activities of the Korean Peoples Revolutionary Army [KPRA].

After making a thorough calculation of the deployment of enemy forces, the natural and geographical conditions of the area for military action and the task of the main unit of the KPRA, the great leader Comrade Kim Il-song chose Xigang as a target of large-scale military action to make it possible to successfully attain the political and military goal of the operation of advance into the border area.

The main unit of the Korean Peoples Revolutionary Army, according to the battle plan drawn up by him completely disarmed the enemy regiment, not suffering even a single loss, by applying a powerful firing operation combined with a fire attack and an active tactics of disintegrating the enemy forces to win a great victory.

The brilliant victory in the Xigang battle was a shining fruition of the outstanding art of command of the great leader Comrade Kim Il-song, the ever-victorious iron-willed brilliant commander, and of a unique guerrilla tactics personally created by him.

The significance of the victory in the Xigang battle lies in that it clearly showed that the tactics and combat methods of the Korean Peoples Revolutionary Army were flexible and diverse and no force could match its might and that it inspired the people and Chinese anti-Japanese units with a confidence in victory and courage and roused our people to courageously turn to the front for the liberation of the country, stresses the article.

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N. KOREA/POLITICS AND GOVERNMENT

..NODONG SINMUN' HAILS THREE-REVOLUTION TEAM MOVEMENT

SK231559 Pyongyang KCNA in English 1529 GMT 23 Jul 81

[Text] Pyongyang, 23 Jul (KCNA)--NODONG SINMUN today carries an editorial article titled "Three-Revolution for Realising Party's Leadership Over Three Revolutions."

The article points out that the three-revolution team movement is a powerful movement for vigorously accelerating the revolution and construction under the leadership of the party and is the method of revolutionary guidance of our style on which we should constantly keep a tight hold till we build communism.

It is a question of principle arising in accomplishing the cause of socialism and communism to firmly guarantee the leadership of the party over the three revolutions, ideological, technical and cultural, the article declares, and goes on:

Our revolution which stepped on to a new stage of development entering the 1970's demanded that the three revolutions, ideological, technical and cultural, became further organized and invigorated.

The respected and beloved leader Comrade Kim Il-song with his scientific insight into the demand of the new stage of the development of socialist construction, initiated the three-revolution team movement on the basis of the rich practical experiences he had gained in the course of leading the revolution and construction, thus showing a new way for thoroughly realising the party's leadership over the three revolutions.

The initiation of the three-revolution team movement marked the origin of the new method of revolutionary guidance of the working class party and a historic event of great significance in accomplishing the revolutionary cause.

The movement is a powerful method of revolutionary guidance which makes it possible to thoroughly realise the leadership of our party over the three revolutions in compliance with the new demand of the developing realities in which the cause of modelling the whole society after the chuche idea is being accelerated on an overall scale.

It, first of all, helps thoroughly realise the leadership of the party over the three revolutions by strengthening centralist guidance.

It allows the members of the three-revolution teams to disseminate the intention of the party center among the masses in time, not passing through an intermediate stage, and actively organize and mobilize them in the struggle for its implementation, jointly with the party organisations.

If the party's leadership is to be successfully ensured, the party and the masses should be united in one body by blood ties and the will of the masses must be conveyed to the central committee of the party quickly and correctly. The three-revolution team movement guarantees its successful realization through a centralist guidance.

The three-revolution teams make it its main mode of activities to go deep among the masses of the people and lend an ear to their opinions and to carry through the party's policy in one body with the masses.

By making the three-revolution teams always work in this way, the movement helps concentrate on the party in time the creative opinions raised in the fulfillment of the three revolutions and the aspiration and desire of the masses.

The movement also helps thoroughly establish the leadership of the party over the three revolutions by actively organizing and mobilizing the masses in the revolutionary struggle and constructive work through the implementation of the revolutionary mass line.

The three-revolution teams always go deep among the masses and energetically conduct a wide range of political work including political propaganda and economic agitation, while explaining to them our party's policy of three revolutions, the decisions and instructions of the party. They also make it their consistent mode of activity to discuss solutions with the functionaries, working people, scientists and technicians when difficult tasks are raised and solve the knotty problems by giving full play to the revolutionary enthusiasm and creative wisdom of the masses.

Today the three-revolution team movement is powerfully displaying its validity, advantages and invincible vitality through the dynamic struggle for modelling the whole society after the *chuche* idea. This movement, above all, the struggle to carry out the three revolutions, ideological, technical and cultural, is becoming more organized and invigorated.

And, with the three-revolution team movement progressing vigorously, militant capacity of the party organisations has increased and their leading role has been heightened still further.

The three-revolution team movement is, indeed, a scientific and revolutionary movement which has given a most correct answer to the question of the method of revolutionary guidance of the working class party under socialism and it has made a great contribution to further developing and enriching the guiding theory of *chuche*.

Saying that the vast revolutionary tasks facing us and the prevailing situation make it urgent to further strengthen the three-revolution team movement, the article stresses:

We should give full scope to the great might of this movement by keeping a tight hold on it.

N. KOREA/POLITICS AND GOVERNMENT

KIM IL-SONG THANKS HELPERS TO COUNTRYSIDE

SK281509 Pyongyang KCNA in English 1502 GMT 28 Jul 81

[Text] Pyongyang, 28 Jul (KCNA)--The great leader Comrade Kim Il-song sent a message of thanks to the entire factory and office workers, peoples army soldiers and students at all levels who performed brilliant feats of labour, taking part in assisting the countryside in wholehearted response to the call of the party for mobilizing the whole party, the whole army and the entire people to give powerful assistance to the countryside.

In the message the great leader Comrade Kim Il-song said that during the whole period of assistance all those who participated in assisting the countryside did work in a militant way as become masters, finished rice-transplanting and maize-planting in the best time for producing the highest yield and energetically pushed ahead with weeding and qualitatively carried out all farm work in a scientific and technical way in conformity with the demand of the chuche-based farming method, and highly praised their proud successes.

The great leader Comrade Kim Il-song noted that all the domains of the national economy and the entire working people, not resting on their laurels, should continue giving powerful assistance to the countryside materially and technically and in labour to successfully ensure this year's agricultural production and further develop our socialist rural economy.

Meetings for conveying the message of thanks of the great leader Comrade Kim Il-song are taking place in cities, counties, factories, enterprises, organs, schools and peoples army units.

CSO: 4120/292

N. KOREA/POLITICS AND GOVERNMENT

KIM IL-SONG SENDS FARM MACHINES TO GUINEA

SK270436 Pyongyang KCNA in English 0358 GMT 27 Jul 81

[Text] Pyongyang, 27 Jul (KCNA)--The great leader Comrade Kim Il-song sent farm machines to Guinean President Ahmed Sekou Toure as gifts.

A ceremony for conveying the gifts sent by the great leader Comrade Kim Il-song to Guinean President Ahmed Sekou Toure was held in Conakry on 20 July, according to a report.

A portrait of the great leader Comrade Kim Il-song and a portrait of Guinean President Ahmed Sekou Toure were placed on the platform of the ceremony. Present there were Toumany Sangare, member of the National Political Bureau of the Central Committee of the Party of State of Guinea and minister of farming and forestry and water, department directors of the ministry, the chief of the secretariat of the Ministry of International Cooperation, the director of the legal and consular department of the Foreign Ministry, the first secretary of the Second Conakry Provincial Party Committee, men of the press and a crowd of people of all strata.

The address of the Korean ambassador for conveying the gifts was followed by a speech of the minister of farming and forestry and water.

Saying that the gifts sent by the respected and beloved, great leader President Kim Il-song, the leader of the Korean people and creator of happiness and splendid world history, were a symbol of the good friendly and cooperative relations between the great President Kim Il-song and President Ahmed Sekou Toure and between Guinea and Korea, the minister stated that the cooperation between Guinea and Korea was a fine example of all international cooperation.

The Guinean people will contribute to further tightening the bonds of friendship and cooperation between Guinea and Korea provided by the great leader Comrade Kim Il-song and President Ahmed Sekou Toure by well tending and operating the farm machines, the gifts, he stressed.

He expressed deep thanks to the great leader Comrade Kim Il-song for sending the farm machines.

In conclusion, he declared that the Guinean people would stand firm on the side of the Korean people struggling to reunify the country independently and peacefully and struggle jointly with them.

CSO: 4120/292

N. KOREA/POLITICS AND GOVERNMENT

'NODONG SINMUN' ON TAEAN WORK SYSTEM

Part Two

SK161108 Pyongyang KCNA in English 1030 GMT 16 Jul 81

[Text] Pyongyang, 16 Jul (KCNA)--NODONG SINMUN, 15 July, in the second part of its editorial article headlined "True Way of Socialist Economic Management Opened by Great Leadership," says that our people under the guidance of the Workers Party of Korea have proved the advantages of the Tae'an work system and worked great miracles in socialist construction during the past two decades.

The course of establishing and carrying through the Tae'an work system has been a course of an acute struggle for repulsing the infiltration of all outdated theories of capitalist economic management and resolutely defending and upholding the chuche-based theory of socialist economic management and, through its history of 20 years, the system has powerfully demonstrated its invincible vitality and superiority as a revolutionary economic management system, declares the article. The validity and superiority of the Tae'an work system, it goes on, lie first of all in that it makes it possible to most thoroughly realize the party's leadership over socialist construction.

The Tae'an work system is a powerful economic management system for most thoroughly ensuring the collective leadership of the party committee over economic construction. The collective leadership of the party committee is the core of this system.

The collective leadership of the party committee over economic management is, in essence, a political leadership for thoroughly carrying into practice the plan and intention of the party center on accelerating economic construction.

The validity and superiority of this system also lie in that it makes it possible to most fully realize the centralist leadership of the state over socialist economy.

The highly organized socialist economy can be successfully operated only by the centralist leadership of the state under the guidance of the party and the leader.

The centralist leadership of the state over the economy should be further strengthened as the economy develops and socialist construction progresses. Otherwise, the function of the state as an economic organizer will be weakened and spontaneity and imbalance will appear in economic development and, further, the socialist system itself will be endangered.

The Tae'an work system is a powerful means of fully realising the centralist leadership over the economy because it firmly ensures the uniform and unitary nature of planning work, the first process of economic management, by the state and makes all the economic activities for the fulfillment of the national economic plan highly organised and disciplined.

The validity and vitality of the Tae'an work system find expression also in that it makes it possible to develop the socialist economy uninterruptedly at a high tempo.

To give precedence to political work, work with people, and rouse the producer masses to action ideologically is the basic demand of the Tae'an work system.

If one fails to give precedence to political work and conducts only economic and technical work in economic management, neglects work for heightening the ideological consciousness of the working people and lays onesided stress on material incentive, it will become impossible to actively mobilize the masses and energetically push forward economic construction.

Under the Tae'an work system the dispersed leadership over production is eliminated and the uniform and concentric leadership over production is thoroughly introduced and all economic organization from planning to the management of equipment, materials, manpower and finance is rationally conducted on the principles of the mass line and science. Therefore, the Tae'an system powerfully promotes the rapid development of production.

Over the past 20 years since the establishment of the Tae'an work system, the industrial production has grown at a rapid tempo of 14.5 percent on an annual average.

The history of the socialist construction of our country which has followed a road of leaping progress and innovation over the past two decades eloquently substantiates that the Tae'an work system, a brilliant embodiment of the *chuche*-based idea of economic management of the great leader Comrade Kim Il-song, is a most revolutionary and scientific system of economic guidance and management suitable to the nature of the socialist system, stresses the article.

Part Three

SK161533 Pyongyang KCNA in English 1505 GMT 16 Jul 81

[Text] Pyongyang, 16 Jul (KCNA)--Today the Tae'an work system created by the great leader Comrade Kim Il-song is being brought into full bloom and firmly established by the revolutionary leadership of our party.

It is an unshakable determination of our party to use the Tae'an work system as a powerful weapon in economic construction and reorganize economy according to the demand of *chuche* to accelerate the complete victory of socialism and hasten the cause of modelling the whole society on the *chuche* idea.

NODONG SINMUN, 15 July, stresses this in the third part of its editorial article headlined "True Way of Socialist Economic Management Opened by Great Leadership."

Our party is energetically leading the work of firmly establishing the Tae'an work system and giving full play to its superiority, the article notes, and goes on:

Considering it an important problem of defending the chuche-based idea and theory of the great leader Comrade Kim Il-song on economic management to establish the Tae'an work system, our party always directs deep attention to this problem.

The Tae'an work system is a revolutionary system of economic guidance and management in which the idea of the great leader Comrade Kim Il-song on economic management is consummated in an allround way.

Therefore, our party put forward the thorough establishment of the Tae'an system as the political work of defending and embodying his idea and policy, not as a mere business-like matter.

Our party also solves in time important theoretical and practical questions arising anew in the course of firmly establishing the Tae'an work system and correctly guides work for their correct application in practice.

In particular, our party meticulously guides work to strengthen collective consultation and give full play to democracy in economic management so that the will of the masses may be fully reflected in the matters discussed and decided upon at party committees and leads them to carry on administrative and economic work by the party's political method, getting rid of practices of undertaking administrative work and [word indistinct].

Our party constantly develops the Tae'an work system in depth by propounding unique ideas and theories to improve economic management and operation to suit the demand of the developing reality.

Our party consistently takes scientific and positive measures to bring economic management and operation as a whole to a high level by applying the Tae'an work system.

In order to fully comply with the demands of the Tae'an work system our party took an epochal step for introducing the cost-accounting system, a method of planned management and operation of socialist enterprises and saw to it that this method was fully applied at factories and enterprises.

Our party put forward the policy of regularizing and standardizing the enterprise management in conformity with the intrinsic requirement of socialist system and, to this end, has energetically pushed ahead with the work of building up a model factory in each domain of the national economy and generalizing its experience.

Under the leadership of our party brilliant successes have been registered in recent years in thoroughly establishing the Tae'an work system.

Today's pulsating reality firmly convinces our people that the superiority of the Tae'an work system will be given fuller scope as long as our party guides them in the van.

N. KOREA/POLITICS AND GOVERNMENT

BRIEFS

CHON REGIME IMPRISONS STUDENTS--Pyongyang, 30 Jul (KCNA)--The Chon Tu-hwan military fascist clique staged a trial at the puppet Seoul District Criminal Court on 28 July, at which they sentenced Choe Song-hui and Yi Mun-ia, students of the Songsin Womens Normal College in Seoul, respectively to a prison term of 8 months on charges of "violation of the law on assembly and demonstration," according to a report. The military blackguards imposed this penalty upon them for the reason that they scattered anti-"government" leaflets on the campus and roused the students to a demonstration in late May. Entering this month, many students of the Ehwa Women's University, the Songgyungwan University, the Seoul University, the Yonsei University and the Tongguk University have been sentenced to prison terms at fascist "courts," falling victims to the dastardly repression by the fascist clique, for their participation in the anti-fascist struggle. [Text] [SK300835 Pyongyang KCNA in English 0806 GMT 30 Jul 81]

CSO: 4120/292

MINES ACHIEVE SUCCESS IN COAL PRODUCTION

SK271520 Pyongyang KCNA in English 1512 GMT 27 Jul 81

[Text] Pyongyang, 27 Jul (KCNA)--The coal miners throughout Korea are achieving big successes in coal production.

Coal mines in different parts replaced the equipment with large and modern ones and improved economic organisational work in conformity with the demand of the Taean work system, thereby substantially boosting coal output.

The Sunchon District coal mining complex, one of the powerful coal production bases of our country, normalises the fulfillment of the daily coal production assignments at 150 percent.

The 8 February Chikdong youth coal mine of the complex is overshooting the daily quotas 1.5-1.6 times by introducing a new blasting method and the Sinchang coal mine upped the daily coal output by surpassing the tunnelling assignments to over 1.4 times.

The productivity per coal cutter has been raised 1.3-1.5 times at the complex through a vigorous mass technical innovation drive.

The Yongnim coal mine of the Anju District coal mining complex is also effecting an unprecedented upswing in coal production. Entering this month, the Yongnim pit and Chilli pit of the coal mine keep overfulfilling nearly two times their daily production assignments.

The Kwon, Kaechon, Kujang and Tokchon District coal mining complexes have also registered big successes in coal production by giving precedence to tunnelling and earth scraping to create sufficient reserves for coal cutting.

Meanwhile, the Sunchon coal mine machine plant, the 10 May factory and other coal mine machine factories throughout the country produce and supply to coal mines many mining machines including light and effective coal cutters suitable to the coal seam conditions of the country.

CSO: 4120/292

DRIVE TO CREATE NEW FARMLAND UNDERWAY

SK300520 Pyongyang KCNA in English 0339 GMT 30 Jul 81

[Text] Pyongyang, 30 Jul (KCNA)--A drive for obtaining 200,000 hectares of new arable land is going on briskly in Korea. It is one of the important ways for steadily boosting agricultural production to expand the area under crops through a vigorous drive to find new land along with the reclamation of tideland in our country where the arable land is limited and grain output per unit area is already on a high level.

The Sixth Congress of the Workers Party of Korea held last year put forward the task to find 200,000 hectares of new land while reclaiming 300,000 hectares of tideland in the 1980s.

Now, a nation-wide survey is under way to acquire 200,000 hectares of new land. Reclaimable land accounting for more than 50 percent of the plan has already been chosen.

South Hwanghae Province has energetically accelerated a survey, having set itself the goal of obtaining 30,000 hectares of new land within 1 or 2 years, and has discovered large tracts of reclaimable land in river basins and hillocks.

Large areas of land suitable for reclamation has been found in North Pyongan, Kangwon, South and North Hamgyong provinces.

Working people in North Hamgyong Province, with a plan to obtain 10,000 hectares of new land within 2 or 3 years, have directed efforts to reclamation, while choosing suitable land. They have upturned 1,000 hectares of land to be used in farming in the past 1 month or so.

CSO: 4120/292

METAL INDUSTRY ENACTS CHUCHE-BASED CONSTRUCTION

SK290825 Pyongyang KCNA in English 0817 GMT 29 Jul 81

[Text] Pyongyang, 29 Jul (KCNA)--The metal industry of Korea has rapidly developed into one with all its production domains perfected. With the implementation of the chuche-based principle of industrial construction put forward by the great leader Comrade Kim Il-song, independent and modern iron and steel bases have been firmly built up in the country.

Through the energetic reconstruction and expansion of the iron and steel works, a large furnace of 1,500 cubic meters, a large continuous sintering furnace with a capacity of 3 million tons, an oxygen converter and other large metallurgical equipment have been built. The Kimchaek iron and steel works has been turned into a gigantic modern metallurgical combine and the Hwanghae iron and steel complex, the Kangson steel complex, the Songjin steel works and other steel bases have been reconstructed and expanded.

During 1984, the last year of the Second Seven-Year Plan, 7.4-8 million tons of steel production is foreseen.

At the Kimchaek iron and steel works more large-size furnaces and various types of converters, sintering furnaces and coking batteries will be built.

Not only iron bases but also large heat and cold rolling bases and second-stage metal processing bases have been built additionally.

The output of rolled steel is now growing fast at the Kimchaek iron and steel works and all other iron and steel works.

Our metal industry produces tin gilded plate, wire-ropes, seamless steel pipes and other products of second-stage metal processing.

The nonferrous metal industrial bases have also been consolidated.

The existing smelteries have been remodelled with modern technique, more furnaces and electrolyzers have been built and a process for the utilization of waste from smelting has been set up. The 24 August works and other smelteries have been built to increase smelting and rolling capacity.

Our nonferrous metal industry has a diversified production structure for the comprehensive processing and treatment of minerals to produce nonferrous metals and different pure and rare metals needed for the development of electronic and automatic industries.

The level of modernization of metal industry is very high. Under the wise leadership of the party center, semi-automation, automation, introduction of industrial television and remote control have been stepped up and modern technique introduced into production processes, to make a big stride in modernization and scientification in this field.

Our metal industry will make further development into a powerful industry which will produce 15 million tons of steel and 1.5 million tons of nonferrous metals in the 1980's.

CSO: 4120/212

ENGINEERING INDUSTRY CLAIMS SUCCESSES

SK301047 Pyongyang KCNA in English 1014 GMT 30 Jul 81

[Text] Pyongyang, 30 Jul (KCNA)--The Taean heavy machine combine, one of the mighty ordered equipment production bases of the country, is now building several large generators at fast speed on the finishing stage.

Its workers have doubled the speed of processing parts by introducing a high-speed cutting method.

The combine is powerfully pushing ahead with the construction of the central control room by industrial television which will greatly contribute to scientizing and modernizing the command of production and management of enterprise as a whole.

Korea has gained a big success in her energetic efforts to consolidate the material and technical foundations of engineering industry in compliance with the demand of the chuche-orientation, modernization and scientization of the national economy and to increase its production capacity.

A 5,000-ton sheet press, a large horizontal forging machine, a 20 ton high-speed precision stamping hammer and many other stamping equipment have been manufactured and applied to production to markedly enhance the proportion of pressing and stamping.

The invention and introduction of a new casting method has helped accelerate the specialization and intensification of casting.

The Yongsong machine complex has carried out the comprehensive mechanization of the heating oven to double the press and forging capacity. This year it has increased the capacity of processing of ordered equipment by more than 10,000 tons by building an all-purpose extra large gantry planer and other efficient machines.

The engineering industry raised the capacity of ordered equipment production 3.5 times in the first 3 years of the Second Seven-Year Plan by building new modern plants and reconstructing and expanding the existing ones.

Hydraulic monitor and bearing factories and production bases of engines of different capacity have been modernized still further.

Now the engineering industry of Korea produces all kinds of large machines and equipment, modern sets of plants, large cargo ships, electric locomotives, trucks, tractors and other rolling stock needed in all fields of the national economy.

The proportion of self-sufficiency in machinery and equipment is 98 percent.

BRIEFS

POWER OUTPUT STEADILY INCREASING--Pyongyang, 27 Jul (KCNA)--Power output is on the steady increase in Korea. The Pukchang thermal power plant, one of the biggest of its kind in Korea, is topping the hourly capacity of each generator by an average of 8,000 kwh by applying a new operating method. The Pyongyang and Chongchongang thermal power plants also have boosted output by raising the burning efficiency of fuel through the remodelling of the boilers. Power output is going up at the hydraulic power stations, too. The Tokno-gang, Sodusu and Kungangsan power stations are surpassing their daily quotas 20 to 40 percent by enhancing the utility rate of the installations. The power output of the Chagang provincial complex of medium- and small-scale power stations during the last 6 months was 20 percent above that in last year's corresponding period. Our country aims at turning out 56,000 million-60,000 million kwh of electricity in 1984, the last year of the Second Seven-Year Plan. [Text] [SK271047 Pyongyang KCNA in English 1034 GMT 27 Jul 81]

YOUNG WORKERS INITIATE EFFORTS--Pyongyang, 28 Jul (KCNA)--Young workers of the Tae'an heavy machine combine, one of the leading machine production bases of our country, on 26 July held a meeting, at which they resolved to more energetically strive for carrying out this year's plan and the Second Seven-Year Plan (1978-84) ahead of schedule and called upon the entire young men and women of the country to wage a socialist emulation of loyalty in celebration of the 70th birthday of the great leader Comrade Kim Il-sung. The young workers of the combine resolved to launch a vigorous socialist emulation of loyalty for fulfilling the combines national economic plan for this year before the 20th anniversary of the creation of the Tae'an work system and carrying out the first 6 months assignments of 1982 before 15 April to greet the 70th birthday of the great leader (15 April 1982) as the greatest national holiday. They called upon the entire organisations of the League of Socialist Working Youth of Korea and young people across the country to actively respond to their call for socialist emulation of loyalty. [Text] [SK281530 Pyongyang KCNA in English 1526 GMT 28 Jul 81]

CSO: 4120/292

N. KOREA/MEDIA AND THE ARTS

MEETING MARKS OPERA TROUPE ANNIVERSARY

SK171111 Pyongyang KCNA in English 1018 GMT 17 Jul 81

[Excerpts] Pyongyang, 17 Jul (KCNA)--A meeting commemorating the 10th anniversary of the founding of the Pibada Opera Troupe was held on 16 July at the Pyongyang Grande Theatre.

Set up on the platform was a portrait of Comrade Kim Il-song, the great leader of our party and our people.

It was attended by Comrade Yim Chun-chu, member of the Political Bureau of the Central Committee of the Workers Party of Korea and secretary of the Central Peoples Committee, and Yi Chang-son, Yi Myon-sang and other personages concerned, creative writers and artists of the Pibada Opera Troupe and men of culture and art in the city.

At the meeting Comrade Yim Chun-chu conveyed a congratulatory message of the Central Committee of the Workers Party of Korea to the entire creative writers and artists of the troupe.

Yi Chang-son, minister of culture and art, made a report.

He said that the glorious party had put forward the outstanding policy of creating a new revolutionary opera of our style brilliantly embodying the idea of the great leader Comrade Kim Il-song on the building of a revolutionary opera, putting on the opera stage, in particular, immortal classic works created in the period of the anti-Japanese revolutionary struggle and making it the starting point of the opera revolution.

The party expounded everything, from the seed of the work to the concrete way of depiction, and perfected each scene of the opera to render it great artistic influence and thereby successfully created the revolutionary opera "Sea of Blood" in a short period, the reporter said, and continued:

The emergence of the revolutionary opera of "Sea of Blood" style was a solemn declaration putting an end to the tradition of the preceding outdated opera and announcing the birth of a new opera meeting the demand of the chuche era and a great event spreading a new era of a true opera art.

Recalling that the glorious party center formed the Pibada Opera Troupe with gifted artists trained in the course of creating the revolutionary opera "Sea of Blood" and named 17 July 1971, the day when it gave the first performance in the presence of the great leader, the founding anniversary of the troupe, the reporter said:

A number of revolutionary operas were created in a short period on the basis of the successes registered in the creation of the opera of "Sea of Blood" style under the guidance of the party and especially the music and dance tale "Song of Paradise" was created to resplendently decorate the latter half of the 1970's.

He called for constantly expanding and developing the successes made in the creation of the operas of "Sea of Blood" style, energetically continuing the work of putting into opera form the revolutionary works created in the flames of the glorious anti-Japanese revolutionary struggle and creating more works high in ideological and artistic level to powerfully demonstrate the validity and vitality of our party's chuche-based theory of literature and art and glorify the exploits performed by the party center.

CSO: 4120/292

'KCNA' REPORTS ON MOUNT MYOHYANG-SAN

SK291557 Pyongyang KCNA in English 1534 GMT 29 Jul 81

[Text] Pyongyang, 29 Jul (KCNA)--Mt Myohyang-san is visited these days by working people, school children and youth from all parts of the country and foreign friends.

Trains exclusively for tourists run from Pyongyang to the mountain. It is within a 2 hour drive northward from Pyongyang.

Mt Myohyang-san called the most celebrated mountain of Korea proud of its grandeur coupled with the beauty of Mt Kungang-san widely known to the world is located in the boundary of Hyangsan County of North Pyongan Province, Huichon of Chagang province, and Yongwon County of South Pyongan Province.

Mt Myohyang-san consists of many cloud-piercing peaks and steep fantastic cliffs with Pirobong 1,909 meters above sea level as the principal peak.

Crystal-clear water flows through deep valleys, forming numerous falls. Various kinds of animals and birds in the forests add to the scenic beauty of nature.

In early summer one can see a summer landscape at the foot of the mountain, a spring landscape in its breast and a winter landscape at its top.

The mountain occupies a vast area--stretching 28 kilometers from east to west, from north to south and 128 kilometers round.

It has many beauty spots, most famous among them being Sangwondong, Manpokdong and Habiro.

At Sangwondong with the unique beauty of its deep valley and at Manpokdong which presents a harmony of steep moss-grown rocky cliffs tourists can see crystal-clear water flowing, washing white stones and forming rainbows, falls and ponds.

In particular, Inhodae of Sangwondong affords a sweeping view of the scenic beauty of the Sanju Falls scores of meters deep and the Yongyon and Chonsin Falls looking like a silk cloth hanging from the sky.

Habiro which was newly developed under the guidance of the glorious party center offers an exquisite beauty of nature with limpid water and magnificent falls in the valley and thick forests and beautiful flowers.

Mt Myohyang-san is rich in faunal and floral resources.

There are more than 600 kinds of trees and grasses in the mountain to form a natural botanical garden. There are also scores of kinds of wild animals including roe deer, sheep and bear and more than 130 kinds of birds including Myohyangsan blue bird designated as a precious natural product.

The great leader Comrade Kim Il-song gave on-the-spot guidance to Mt Myohyang-san more than 10 times from right after liberation and gave detailed teachings on building the mountain well as a holiday resort of the working people.

He earnestly told functionaries who planned to open a gold mine there in those days when the economic life of the state was difficult that the beautiful Mt Myohyang-san should not be exchanged for a few tons of gold.

Upholding the noble intention of the great leader, the glorious party center saw to it that the mountain was built well to be convenient for mountaineering and of highly educational value.

In the mountain built beautifully under the warm care of the great leader and the party center working people and school children and youth from all parts of the country and a large number of foreign guests spend a pleasant rest.

The six-storied international friendship exhibition with a total floor space of 28,000 square meters was built and opened in August 1978 in Mt Myohyang-san.

The building is a veritable meridian of modern architecture of our country.

On display there are tens of thousands of precious gifts sent with good wishes to the great leader Comrade Kim Il-song from heads of state and government, revolutionary organisations, public and political figures and people of all walks of life of all countries of the world.

Every day a large number of working people and school children and youth visit the exhibition. Through the inspection they cherish deep in their hearts the national pride and honor of having the great leader in the person of respected and beloved Comrade Kim Il-song and harden their determination to strengthen the bonds of friendship with the revolutionary people of the world.

Foreign delegations and many friends also visit the exhibition.

In Mt Myohyang-san there are many cultural relics including the Pohyonsa Temple representing the Korean architecture in the early 11th century.

There are lots of architectures including Pulyongdae where preserved during the period of the Imjin fatherland war against the Japanese aggressors (1592-1598) was the "authentic record of the Yi Dynasty" (diary-style "Government Diary" recording in date order big and small events which took place throughout the country in the period of the rule of the Yi Dynasty feudal state (from 1392 to 1910) and cultural assets including the "80,000 Collection of Complete Buddhist Literature" consisting of printed book vols 1,159.

The "M, 1771 Collection of Complete Buddhist Literature" with more than 80,000 wooden printings, is widely known to the world as a precious cultural asset showing the wooden printing in the reign of the Koryo Dynasty (10th-14th century).

Indeed, Mt Myohyang-san is a place associated with the long history of Korea and her brilliant culture.

Thanks to the on-the-spot guidance of the great leader and the deep care of the glorious party center Mt Myohyang-san is being built better as a mountaineering site, a site of culture and rest and a tourist site to cultivate the courage and fortitude of the working people and school children and youth.

CSO: 4120/292

N. KOREA/KOREANS IN JAPAN

CHONGNYON DELEGATIONS LEAVE DPRK 24 JULY

SK260854 Pyongyang KCNA in English 0842 GMT 26 Jul 81

[Text] Pyongyang, 26 Jul (KCNA)--The delegation of functionaries of external affairs of the General Association of Korean Residents in Japan (Chongnyon) headed by Paek Chong-won, director of the International Department of the Central Standing Committee of Chongnyon, the delegation of men of literature and art of Chongnyon headed by Kim A-pil, director of the Cultural Department of the Central Standing Committee of Chongnyon, the delegation of branch office workers of Choson Sinbo headed by Choe Sun-chae, vice-director of the Choson Sinbo office, the delegation of Korean students in Japan headed by Kim Saeng-ho, vice-chairman of the Central Standing Committee of the League of Korean Youth in Japan, and the 89th home-visiting group of Koreans in Japan headed by Kim Sang-kyo, vice-chairman of the Osaka Prefectural Educational Association under Chongnyon, which had been on a visit to the socialist homeland left Pyongyang on 24 July by train.

The delegations and the home-visiting group left Wonsan on 25 July by the ship "Sanjiyon."

The 27th short-term home-visiting group of Koreans in Japan headed by Kim Chong-ho, section chief of the Fukuoka prefectural headquarters of Chongnyon, left by the same ship.

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N. KOREA/FOREIGN RELATIONS

ENVOY PRESENTS CREDENTIALS TO SOMALI PRESIDENT

SK221135 Pyongyang KCNA in English 0823 GMT 22 Jul 81

[Text] Pyongyang, 22 Jul (KCNA)--Kim Pok-man, newly-appointed ambassador extraordinary and plenipotentiary of our country to Somalia, on 15 July presented his credentials to Somali President Mohamed Siad Barre, according to a report.

The ambassador conveyed cordial regards of the great leader Comrade Kim Il-song to the president.

The president inquired after the health of the respected and beloved leader Comrade Kim Il-song, expressed deep thanks for the cordial regards and asked the ambassador to convey his heartfelt greetings to the respected and beloved leader.

Pointing out that the August name of the great leader Comrade Kim Il-song is well known to the Somali people, the president said: the friendship between Somalia and Korea which has grown stronger and developed on deep roots is unthinkable apart from his August name.

The Somali president continued:

Korea is a country deeply engraved on our minds.

We always follow with keen interest the great progress and splendid successes made by the Korean people in the endeavours to raise the material and cultural standards.

The fraternal relations between our two countries were forged for the commonness of our cause.

We are well aware that the Korean people waged a protracted struggle in the past for the independence of the country under the guidance of the great leader Comrade President Kim Il-song and are now struggling for the realisation of national reunification.

We will invariably support the Korean people in their struggle for the independent and peaceful reunification of the country.

He wholeheartedly wished the respected and beloved leader Comrade Kim Il-song good health and a long life as well as success in his work.

The conversation took place in a friendly atmosphere.

Present on the occasion were the foreign minister and officials concerned of Somalia.

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N. KOREA/FOREIGN RELATIONS

JAPANESE DELEGATION INTERVIEWED IN PYONGYANG

SK291010 Pyongyang KCNA in English 1001 GMT 29 Jul 81

[Text] Pyongyang, 29 Jul (KCNA)--The delegation of the Society of Independence of Japan headed by Yasuhito Fujii, secretary of the Gunma Society for Seeing Korean Films, met with news agency and radio reporters in Pyongyang before leaving for home.

The head of the delegation said:

We are conducting activities for the study and dissemination of Kim Il-songism in Japan with the firm belief that the only guiding idea for the accomplishment of the cause of independence is the chuche idea. We had the honour of visiting the Democratic Peoples Republic of Korea, the homeland of chuche, thanks to the warm solicitude of respected President Kim Il-song.

The purpose of our visit was to deeply acquaint ourselves with the vitality of the chuche idea in the realities of the DPRK where this idea is embodied under the leadership of respected President Kim Il-song.

All that we have seen and heard during our stay in Korea were impressive.

Korea building socialism for the happiness of the people is advancing as a model country of socialism in the world.

The period of our Korean visit was a course of understanding more deeply that the chuche idea, the guiding idea of the present times, is one for the happiness of the people.

We renewed our determination to actively disseminate among the Japanese people lots of things we have learned in the homeland of chuche during our visit and struggle in the van for Japan's cause of independence.

May President Kim Il-song enjoy a long life in good health.

Speaking next, deputy head of the delegation Machiko Shimizu said:

During our Korean visit we very deeply felt the validity and vitality of the cause of Kim Il-songism, seeing the Korean people enjoying happiness to their

heart's content under the leadership of his excellency great president who spares nothing for the people.

We are firmly convinced that the only way for the Japanese people to become the genuine master of the country and lead an independent and creative life is to accomplish the cause of Kim Il-songism, holding his excellency President Kim Il-song in high esteem.

Although we are unknown youths, we deem it real happiness and feel great responsibility to contribute to the proud cause of Kim Il-songism.

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N. KOREA/FOREIGN RELATIONS

FOREIGN CREWMEN MARK DPRK WAR 'VICTORY'

SK291050 Pyongyang KCNA in English 1039 GMT 29 Jul 81

[text] Pyongyang, 29 Jul (KCNA)--Foreign crewmen at Hungnam Port held a meeting Monday celebrating the 28th anniversary of the victory of the Korean people in the great fatherland liberation war.

Placed on the platform was a portrait of Comrade Kim Il-song, the great leader of our party and our people.

The meeting was attended by the crewmen of the Singapore ship "Altaslim," the Panamanian ships "Gull" and "Denebola," the Japanese ships "Katori-Maru No 11," "Ko-Maru No 28" and the Greek ship "Lefthero."

Addressing the meeting, the master of the Singapore ship "Altaslim" said that the U.S. imperialists started a war of aggression against the Korean people on 25 June 1950, and suffered an irrevocable political and military defeat and fell upon their knees before the Korean people in face of the outstanding military tactics and commanding art of his excellency respected and beloved President Kim Il-song, the ever-victorious iron-willed brilliant commander and genius in military strategy.

Condemning the U.S. imperialists for running wild in preparations for a new war, he stressed that the U.S. imperialists must get out of South Korea at once along with all their aggression forces and military equipment.

Speaking at the meeting, masters and crewmen said that the strength of the Korean people rallied rock-firm around the great leader President Kim Il-song is invincible and that if the U.S. imperialists kindle the flame of another war in Korea, they would not escape a fiasco.

Korea, they stressed, should be reunified in accordance with the three principles and five-point policy of national reunification and the proposal to found the Democratic Confederal Republic of Koryo advanced by the great president.

The meeting adopted a letter to the great leader Comrade Kim Il-song.

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N. KOREA/FOREIGN RELATIONS

POLISH MEETING MARKS KIM IL-SONG'S VISIT

SK200445 Pyongyang KCNA in English 0333 GMT 20 Jul 81

[Text] Pyongyang, 20 Jul (KCNA)--A meeting was recently held in Otwock under the co-sponsorship of the Otwock City Committee of the Polish United Workers Party, the Otwock City Administrative Committee and the Poland-Korea Friendship Club on the occasion of the 25th anniversary of the goodwill visit of the great leader Comrade Kim Il-song to Poland, according to a report.

Placed on the platform of the meeting hall was a portrait of the great leader Comrade Kim Il-song.

On display in the meeting hall were photographs and materials showing the great leader's visit to Otwock in July 1956, his immortal classic works, and photographs and publications introducing our country.

The ambassador and officials of the DPRK Embassy in Poland were present on invitation.

The chairman of the Poland-Korea Friendship Club made a report and the first secretary of the Otwock City Party Committee a speech.

The reporter and speaker pointed to the historic significance of the great leader Comrade Kim Il-song's goodwill visit to Poland 25 years ago.

They said that the fraternal Korean people owed all their successes in the revolution and construction to the wise guidance of the great leader. They wholeheartedly wished good health and a long life to the great leader who personally provided friendly relations between the peoples of the two countries and between the population of Otwock City and of Sunchon County of our country.

They fully supported the proposal for founding the Democratic Confederal Republic of Koryo and the 10-point policy for its realisation which were put forward by the great leader Comrade Kim Il-song at the Sixth Congress of the Workers Party of Korea and expressed firm solidarity with the Korean people in their just struggle for national reunification.

At the end of the meeting a Korean film was screened.

Meanwhile, a get-together was held at the friendship club.

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N. KOREA/FOREIGN RELATIONS

BRIEFS

UGANDAN ENVOY DEPARTS--Pyongyang, 24 Jul (KCNA)--Ho Tan, vice-premier and foreign minister, on 23 July met and had a talk with James S.A.K. Oporia-Ekwaro, ambassador of the Republic of Uganda to our country, who paid a farewell call on him. [Text] [SK240437 Pyongyang KCNA in English 0330 GMT 24 Jul 81] Pyongyang, 29 Jul (KCNA)--James S.A.K. Oporia-Ekwaro, ambassador of the Republic of Uganda to Korea, left here yesterday for home by air at the recall of his home government. [Text] [SK282351 Pyongyang KCNA in English 2203 GMT 28 Jul 81]

MESSAGE FROM GDR'S HONECKER--Pyongyang, 14 Jul (KCNA)--The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea and president of the Democratic Peoples Republic of Korea, received a message from Comrade Erich Honecker in reply to his message of greetings upon the latter's reelection as chairman of the Council of State of the German Democratic Republic. The reply message dated 8 July says: Respected Comrade Kim Il-song, I express heartfelt thanks to you for the congratulations extended me by you upon my reelection as chairman of the Council of State of the German Democratic Republic. I believe that the friendly relations between our two parties, two states and two peoples will grow stronger and develop on the basis of Marxism-Leninism and proletarian internationalism for the welfare of our peoples. Respected Comrade Kim Il-song, I extend sincerest greetings and wishes to you. [Text] [SK140336 Pyongyang KCNA in English 0328 GMT 14 Jul 81]

HUNGARIAN AGRICULTURISTS, BULGARIAN DIVERS ARRIVE--Pyongyang, 21 Jul (KCNA)--A delegation of the National Council of Agricultural Producers Cooperatives of Hungary headed by its secretary general, Bela Czimbalmos arrived here on 20 July by air. A Bulgarian team flew here yesterday to participate in the international friendship junior diving contests of socialist countries. [Text] [SK210434 Pyongyang KCNA in English 0334 GMT 21 Jul 81]

NEPAL'S PRIME MINISTER MEETS ENVOY--Pyongyang, 17 Jul (KCNA)--Nepalese Prime Minister Surya Bahadur Thapa on 9 July met Hwang Tu-ho, DPRK ambassador to his country, according to a report. The prime minister asked the ambassador to convey his wholehearted greetings to the great leader Comrade Kim Il-song. He stressed the need to further develop friendly and cooperative relations between Nepal and Korea. The talk took place in a friendly atmosphere. [Text] [SK170440 Pyongyang KCNA in English 0332 GMT 17 Jul 81]

JSP ACTIVISTS DELEGATION DEPARTS--Pyongyang, 29 Jul (KCNA)--The delegation of Gifu prefectural activists of the Japan Socialist Party headed by Kanejiro Tate, member of the House of Representatives and general chairman of the group of socialist members of both houses of Japan, left here on 28 July by plane. The delegation was seen off by Hyon Chun-kuk, vice-director of a department of the Central Committee of the Workers Party of Korea, and personages concerned. During their stay the guests visited historic Mangyongdae and went round various places. [Text] [SK290507 Pyongyang KCNA in English 0344 GMT 29 Jul 81]

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